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President: Mr. PIRIZ-BALLON (Uruguay)

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Annual report of the Administrator for 1990 and programme-level activities (continued)

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The meeting was called to order at 10.20 a.m.

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1990 AND PROGRAMME-LEVEL ACTIVITIES (continued) (DP/1991/10 and Add.1-4, DP/1991/11, 12, 13, 14, 15, 57, DP/1990/77)

1. Mr. BLANCA (Director-General for Development and International Economic Cooperation) recalled that at the previous year's session of the Governing Council, he had welcomed the adoption of General Assembly resolution 44/211 as a means of enabling the United Nations system to respond more effectively to the needs of developing countries. Since those needs had increased because of worsening economic difficulties in most developing countries, particularly in Africa, the operational branch of the United Nations system required further strengthening through closer cooperation and collaboration, increased utilization of national capacities and greater decentralization. While UNDP and other United Nations bodies could not provide long-term solutions to such crucial problems as debt in developing countries, UNDP programmes could, in the current post-cold-war era, play a vital role in that respect. It was particularly essential that the least developed countries, many of which were in Africa, should not become marginalized, and he therefore welcomed the Governing Council's inclusion on its agenda of items concerning the role of UNDP in the implementation of the United Nations Programme of Action for African Economic Recovery and Development, the evaluation of the social dimensions of structural adjustment, the report on the Transport and Communications Decade in Africa, and the report on the least developed countries.

2. Population issues were of great importance in view of the widening gap between the economic performance of developing countries and the continual increase in their populations. The number of people living in absolute poverty, which currently stood at approximately 1.2 billion, could not be allowed to grow. The solution of demographic problems was crucial to economic and social development, and necessitated comprehensive multi-disciplinary programmes that drew on the resources of the entire United Nations system.

3. Poverty reduction was a major concern of operational activities for development. The UNDP Human Development Report 1991 contained statistics showing that remarkable progress could be made when human beings were placed at the centre of the development process. Although some of the statistics and indices in the report had been criticized as being incomplete, outdated or subjective, the report was, in general, a useful means of supplementing the Governing Council's understanding of the problems to be addressed, and its statistics and methods would undoubtedly be updated and refined in future issues. The new era of political and social reform offered new opportunities to mobilize all segments of society in pursuit of an adequate standard of living, a safer and healthier environment, and broader access to health, education, training and employment.

(Mr. Blanca)

4. The plight of many developing countries had been worsened by the problem of refugees and displaced persons, most of whom were women and children. That problem posed a serious challenge which must be taken up by the entire international community. According to the UNDP Administrator's report on refugees, displaced persons and returnees (DP/1991/20), an estimated 20 million people were displaced within their country's territory. The question of overall coordination of the system-wide United Nations response to the problem of refugees and displaced persons would be considered by the Economic and Social Council at its summer session. Those deliberations, as well as the existing capacity of the United Nations system, should be taken fully into account in the Governing Council's decision on the matter.

5. He welcomed the two reports (DP/1991/15 and DP/1991/57) on the human and financial implications of the acquired immune deficiency syndrome (AIDS) pandemic, which was affecting an increasing number of developing countries. The reports outlined a policy framework for the response of UNDP, in collaboration with the World Health Organization (WHO) and other bodies, to the problem. According to a number of resident coordinators, the issue had mobilized the multi-disciplinary capacities of the United Nations system.

6. The Governing Council's deliberations on the important question of women in development would constitute a major contribution to the subsequent debates in the Economic and Social Council and in the General Assembly. His 1991 annual report to the General Assembly contained a number of strategic recommendations on the subject.

7. One of the strengths of UNDP lay in its capacity to respond to the varying needs of developing countries through the different funds and programmes placed under its authority by the General Assembly. In that context, one of the important questions to be resolved at the current session was that of new successor arrangements for agency support costs. The Governing Council's deliberations would undoubtedly result in a viable arrangement based on the principles established in its decision 90/26 and in paragraph 25 of General Assembly resolution 44/211, which stressed the need for coordination within the United Nations system and for maximum utilization of national capacity.

8. The system as a whole had made significant progress in the implementation of resolution 44/211. A detailed analysis of the country-level impact of the reforms would be carried out within the 1992 comprehensive triennial policy review of operational activities. Moreover, a number of important initiatives had already been undertaken, including the guidance provided to resident coordinators and their colleagues in the field on such programmes and activities as the International Development Strategy, the World Summit for Children and the World Conference on Education for All. The challenges of the 1990s required closer cooperation among United Nations bodies and an ongoing dialogue between the resident coordinators and all partners in the development process. An important step had been taken through the Consultative Committee

(Mr. Blanca)

on Substantive Questions (Operational Activities) to foster the team approach by launching a series of inter-agency workshops at the International Centre for Advanced Technical and Vocational Training of the International Labour Office, for resident coordinators and field personnel. Other measures would soon be taken to strengthen cooperation within the United Nations system for the implementation of multisectoral development programmes in accordance with national priorities.

9. Mr. MAJOOR (Netherlands), speaking on behalf of the 12 States members of the European Community, said that the Human Development Report 1991, by adding new socially oriented indicators to the indicators traditionally used in determining the wealth of a country, provided UNDP with a new tool with which to better analyse and understand the issue of development. The report stressed that economic growth in developing countries should be sustainable, should benefit all segments of society and should take place through broad-based popular participation and private initiative. It contained a number of refinements of the methodology used in the previous report. However, some aspects of the human development index, such as the combination of income, life expectancy and literacy indicators, required further study and analysis. Although it needed improvement, the human development index already showed the clear linkages between the level of human development and the budget choices made by the Governments of developing countries. That observation led to the conclusion that development policies must be based not only on needs assessments of the recipient countries, but also on popular participation, without which such policies were bound to fail.

10. The newly introduced human freedom index showed a high correlation between human development and human freedom. However, the index must be used cautiously, since the analytical and methodological difficulties related to it were compounded by the fact that data were available for only 88 countries and that they dated back to 1985.

11. The Twelve agreed with the UNDP Administrator that the International Development Strategy for the Fourth United Nations Development Decade provided an important context for UNDP activities in the coming years. However, UNDP should also draw upon the Declaration adopted at the eighteenth special session of the General Assembly, the Declaration and Plan of Action of the World Summit for Children, the results of the Second United Nations Conference on the Least Developed Countries, and the general philosophy of the Human Development Report as equally important sources of inspiration. The executing sector of the UNDP Administration should be made more fully aware of the substance of those documents. It must also integrate the principles set forth in Governing Council decision 90/34, and particularly the six priority areas mentioned in paragraph 7 of that decision, into its day-to-day work.

12. As noted in the Administrator's report (DP/1991/10), migration as a result of political, economic or environmental conditions or natural or man-made disasters was emerging as an important item on the international

(Mr. Majoor, Netherlands)

agenda, and relief efforts were putting a strain on regular aid budgets. A well-coordinated United Nations response to emergency situations was therefore essential. UNDP should participate actively in discussions on ways of improving such coordination, and the Governing Council, at its 1992 session, should discuss the implications of Economic and Social Council and General Assembly deliberations on the United Nations system's response to emergency situations.

13. The Management Development Programme addressed one of the main impediments to development: the lack of sufficient public-sector management capacities in developing countries. The Twelve were pleased to note that most of the Programme's resources would have been committed by the end of the year, and that there were good prospects for increasing future contributions, inter alia through joint and parallel financing. The Twelve agreed with the Administrator that the efforts of the Programme should concentrate on those countries whose leadership was committed to major reforms calling for substantial institutional capacity-building. However, they wondered whether the Administrator could provide statistics to substantiate the statement that special efforts were being made to increase the proportion of women and third world experts in the Programme's network. The Twelve also requested statistics to back up the statement that national execution was currently the preferred arrangement for project implementation. The transition to national execution should be a gradual process, based on each country's institutional capability and the nature of the advisory services required. The Twelve would also welcome more information on the coordination mechanisms existing between the Management Development Programme and other programmes aimed at strengthening public-sector capacities in developing countries, given the importance of the well-coordinated use of scarce resources.

14. The Twelve supported the efforts of the Division for Women in Development to integrate women-in-development issues into all UNDP activities. They welcomed the indication that there was a growing commitment on the part of field offices and headquarters units to support and develop gender-sensitive projects and programmes across all sectors, but wished that the Administrator had provided the information on which that indication was based. The shift of the responsibility for ensuring that all UNDP work was gender-sensitive from the Division for Women in Development to the operational and policy units and field offices concerned was a necessary and timely development. The Twelve also supported the proposed appointment of subregional women-in-development advisers, as a means of decentralizing technical know-how from headquarters to the field level. However, they would like more information on how such advisers would be recruited and financed. With respect to the proposed introduction and maintenance of a computerized roster of consultants and a resource and reference system on women-in-development issues, the Twelve wondered whether UNDP had consulted with the United Nations Development Fund for Women (UNIFEM) on whether the latter was developing similar reference mechanisms. They noted that only 6 of the 114 UNDP resident representatives were women, and hoped that UNDP would increase that figure, as well as the percentage of women in senior posts at headquarters, in the coming years.

(Mr. Majoor, Netherlands)

15. With respect to the role of UNDP in combating AIDS and HIV, the Twelve stressed that UNDP should not duplicate the work being done by the World Health Organization/Global Programme on AIDS (WHO/GPA). Although UNDP must take action to minimize the impact of the epidemic on development, it should confine that action to the areas most relevant to its mandate, in close coordination with WHO/GPA and other programmes. Unfortunately, the Administrator's note (DP/1991/15) did not provide clear information on how UNDP efforts fit into those of WHO/GPA, what kind of common field activities were undertaken, and whether the training activities and studies organized by UNDP were being coordinated with WHO.

16. The Twelve recalled that through its decision 90/23, the Governing Council had merged the Committee of the Whole and its Working Group into a Standing Committee for Programme Matters. He hoped that the new, streamlined structure would enable the Governing Council to reach decisions more effectively and efficiently, so that UNDP could better respond to the challenges of the 1990s.

17. Mr. KELLAND (Denmark) said that the Human Development Report 1991 contained a number of well-thought-out points of view on which further work could be based. The human development index was particularly important, since it could be used to identify areas where more efforts were needed. However, his delegation did not agree with the report's conclusions on military expenditure. It was not reasonable to ask industrialized countries to use savings generated by the reduction of military expenditure for development purposes when developing countries continued to allocate funds for military purposes. In many poor countries, military budgets were two to three times higher than health and education budgets.

18. In its decision 90/34, the Governing Council had singled out six areas in which UNDP should focus on building and strengthening national capacity. Four of those areas directly reflected the trend towards increased emphasis on human development. His delegation hoped that the country programmes for the fifth programming cycle would fully reflect that decision in such a way that UNDP assistance would have a significant impact on progress in human development.

19. By agreeing on the six areas, the Governing Council had provided a basis for the better utilization and development of the Programme's comparative advantages. However, while the areas on which the Programme should concentrate had been identified, the actions within those areas in which UNDP had a comparative advantage had not. That problem should be addressed as soon as possible, and the Administrator should be requested to submit a report on the subject to the Council at its thirty-ninth session.

20. At the macro-level, UNDP should provide capacity-building assistance to both core and line ministries in order to enable them to engage in a stronger policy dialogue with the Bretton Woods institutions. While UNDP could not

(Mr. Kelland, Denmark)

compete with the World Bank in the provision of basic policy advice on the links between macroeconomic and sectoral policies, both UNDP and the United Nations Children's Fund (UNICEF) could play an important supplementary role in that area.

21. With a few exceptions, UNDP and the specialized agencies could not play a meaningful role at the sectoral level. That did not mean, however, that the specialized agencies did not continue to have a major normative role in providing guidance to those who helped formulate sectoral policy at the field level. On the other hand, UNDP and the specialized agencies had comparative advantages in providing policy advice and technical assistance at the subsectoral level.

22. UNDP and the specialized agencies did not have the necessary resources or capacity to provide assistance to large-scale projects involving the delivery of such public services as education or agricultural extension services. Such tasks were better left to the World Bank, the regional development banks and, in some cases, UNICEF. Consequently, UNDP should increasingly withdraw from projects of that kind.

23. The Programme and the specialized agencies had a comparative advantage with respect to management and support-intensive pilot projects and experimental development programmes. Field activities that required a great deal of technical assistance were directly relevant to relatively short-term projects supported partly by expatriate advisers on one- to three-year contracts. Moreover, United Nations agencies could not provide sound policy advice and capacity-building assistance at the subsectoral level if they did not also gain implementation experience in those fields.

24. His delegation questioned whether UNDP had a comparative advantage in the field of private-sector assistance. Assistance to private-sector development should be concentrated on areas where the Programme's comparative strengths could be utilized. That meant the provision of technical assistance in policy formulation and the drafting of legislation conducive to private-sector growth. His delegation had the impression that important activities were being undertaken without sufficient guidance from the Governing Council, and it suggested that the Administrator, in an annex to his general report to the Council at its thirty-ninth session, should provide further information on the volume and nature of the Programme's assistance to private-sector development.

25. His Government had commissioned a report that contained a proposal on how to avoid the proliferation of UNDP projects and, at the same time, obtain greater focus in country programmes. Within each country programme, UNDP assistance should be concentrated on a limited number of sectors, for which long-term institutional support agreements should be concluded. Such agreements would give continuity to United Nations assistance projects and help ensure that the necessary external aid would actually be forthcoming.

(Mr. Kelland, Denmark)

26. The functioning of UNDP assistance must be seen in the context of United Nations operational activities as a whole, and the overall framework for such activities should be conducive to efficiency and effectiveness. The Nordic countries had proposed that an international development council should be established to discuss matters concerning UNDP, the United Nations Population Fund (UNFPA), UNICEF, the World Food Programme (WFP) and the International Fund for Agricultural Development (IFAD). Discussions of the work of those bodies in one single governing forum would ensure better coordination and a more efficient division of labour. However, the proposal to establish an international development council must be considered in conjunction with the proposal to establish, for each of the five agencies, a small governing body that could provide them with the necessary support and guidance. The Nordic countries had also proposed that the funding system for United Nations operational activities should be revised through the introduction of assessed contributions, negotiated pledges and voluntary contributions.

27. Mr. LING (Observer for the Byelorussian Soviet Socialist Republic) said that UNDP had proved to be an authoritative and representative forum in which vitally important problems of international economic relations could be considered. His delegation supported such promising trends in UNDP activities as the strengthening of the Programme's coordinating role in the United Nations technical assistance system, the development of a mechanism for harmonizing programmes with the economic development priorities of recipient countries, the enhancement of the authority of UNDP resident representatives in developing countries, and the strengthening of the Programme's mandate in the areas of supervision and assessment. However, the future success of the Programme would be closely linked to its contribution to the solution of urgent problems of international social and economic development.

28. For the Byelorussian SSR, the accident at the Chernobyl nuclear power plant on 26 April 1986 had been a national tragedy. Five out of six of the Republic's regions had been severely affected by radiation. Twenty-seven towns and nearly 3,000 settlements, with a total population of 2.2 million, were situated in the affected areas. About 20 per cent of the Republic's most productive agricultural lands and about 20 per cent of its forests were in the area of long-term radioactive contamination.

29. The Republic's relatively small national capacity did not enable it to take all the necessary measures to alleviate the acute social and economic problems caused by the Chernobyl disaster. The resettlement of hundreds of thousands of people from contaminated areas, the construction of new settlements, the creation of new employment opportunities in habitable areas, and the provision of basic social services were all highly complex tasks. Moreover, the need to allocate enormous financial resources to overcome the consequences of the Chernobyl accident was severely impeding the Republic's transition to a market economy.

(Mr. Ling, Observer, Byelorussian SSR)

30. The Byelorussian SSR welcomed the international community's solidarity with the victims of Chernobyl, and appreciated the support and assistance provided by parliaments, Governments, organizations, companies and individuals. In accordance with General Assembly resolution 45/190, the United Nations system had begun to formulate a programme for coordinating activities to address and mitigate the consequences of the accident at the Chernobyl nuclear power plant. Such efforts would not be successful without the participation of UNDP.

31. As a donor country, the Byelorussian SSR had contributed to the implementation of United Nations multilateral technical assistance programmes. In the light of the disastrous effects of the Chernobyl accident, the Byelorussian SSR appealed to the Governing Council to grant it the status of a recipient country. The Republic would, of course, continue to fulfil its voluntary obligations to UNDP. The constructive role that the Programme could play in addressing the consequences of the disaster would encourage the Republic to become a more active participant in future UNDP activities.

32. Mr. SHEN Jueren (China) said his delegation was pleased to note that programme delivery in 1990 had reached $845 million, which represented an increase of $112 million over 1989. Nevertheless, there were ways in which the Programme's implementation of its multilateral operational activities could be improved. Human resources development should become an important component of the development process, and international cooperation in that field should be strengthened. UNDP should respect the sovereignty of recipient countries, capitalize on its comparative advantages in the area of technical assistance, endeavour to meet developing countries' various needs, and, to the extent possible, use the limited financial resources to carry out training and technical cooperation activities conducive to human resources development in developing countries.

33. Many countries had objected to the content of the Human Development Report 1991, particularly the human freedom index. His delegation believed that ideology should not be introduced into operational activities, and that UNDP should concentrate on ways to promote economic revitalization and growth in developing countries. The report's reference to China was both inappropriate and unacceptable, since it had no relation to the facts.

34. His delegation supported the efforts to make national execution a long-term development objective. However, as recipient countries differed in their execution capabilities, there should be no expectations of quick success. During and after the transitional period, UNDP should continue to assist the Governments of recipient countries in implementing their programmes, to train managerial personnel and to establish detailed rules for the promotion of national execution, so as to enable recipient countries to shoulder their responsibilities as soon as possible.

(Mr. Shen Jueren, China)

35. His delegation supported the idea of conducting further research on agency support costs, which could lead to a solution acceptable to all. It was of the opinion that total expenditure should remain below 14 per cent of programme resources in the next programming cycle.

36. UNDP should formulate an effective funding strategy and should open up various funding channels so as to ensure the financial resources necessary for assistance. In addition, resources should be allocated in a fair and reasonable manner, with a view to accelerating the development process in the developing countries. UNDP should continue to attach importance to its advantages, such as universality, neutrality, impartiality and the grant nature of its assistance, and should concentrate, to the extent possible, on country programmes, especially those of countries which had a per capita gross national product (GNP) of less than $750. Appropriate consideration should be given to the special needs of the least developed countries. Furthermore, practical measures should be adopted to ensure that all developing countries received equal benefits from development.

37. Technical cooperation among developing countries could play an important role in enhancing the individual and collective power of self-reliance of developing countries. Much remained to be done before the potential of developing countries was fully utilized. The field visits contemplated by the Standing Committee for Programme Matters would enable developing countries to exchange experiences and information gained through cooperation, and to seek more opportunities in that regard. That, in turn, would promote North-South exchanges. It was to be hoped that the developed countries and international organizations would devote greater attention and assistance to technical cooperation among developing countries.

38. China and UNDP had enjoyed fruitful cooperation over the years. China's second UNDP country programme had ended in 1990, and actual programme delivery had been $127 million. His delegation thanked the Governing Council and UNDP for their support. The third country programme, which would begin in 1991, had been formulated through close coordination between his Government and UNDP, and was based on the strategic goals and priorities established by the recently adopted Eighth Five-Year Plan and Ten-Year Programme. It was to be hoped that the Governing Council would approve the third country programme for China at the current session.

39. The 1990s represented a crucial decade for the Chinese people in their efforts to build socialism with Chinese characteristics. The Ten-Year Programme and the Eighth Five-Year Plan for economic and social development provided for the GNP achieved during the 1980s to be quadrupled by the end of the century. China intended to continue its policy of instituting reforms and opening up to the outside world. Currently, the country's political situation was stable, the Chinese people were leading peaceful and happy lives, and the economy was developing towards prosperity.

40. Mr. WRIGHT (Canada) said that, while not all members of the Governing Council would agree with every aspect of the Human Development Report 1991, and while the lack of up-to-date statistics had hampered the preparation of indices which accurately reflected the current situation, he believed that the indices presented could help the Governing Council to achieve new insights into development issues. He therefore encouraged UNDP to pursue the approach reflected in the report.

41. In the past two years, the Governing Council had developed an enabling infrastructure by establishing the financial parameters and themes for the fifth programming cycle, developing a new support-cost regime, reviewing the management structure of UNDP and establishing a Standing Committee for Programme Matters. It was necessary to ensure that UNDP continued to operate effectively and efficiently in order to achieve its goal of increasing the productivity of the poor.

42. It was essential for country programmes to address specific development needs, to establish priorities and to concentrate on areas which had the greatest potential for sustainable development. If the programmes were too diffuse, they could not be either efficient or effective. It was regrettable that full support did not yet exist in the Council for the proposal to have programme criteria and focus discussed by the Standing Committee on Programme Matters. Agreement on criteria was an issue of good management and did not impinge on the right of Governments to establish priorities.

43. He commended UNFPA for its excellent advocacy role in the population field. The objectives of the Amsterdam Declaration could be achieved if there was clear evidence of a growing capacity to implement programmes in the field and, in particular, within UNFPA.

44. Canada also had a particular interest in UNIFEM and believed that it had become an effective agency in a critical area of development. However, his delegation did not support the recommendation to integrate UNIFEM into the UNDP regional bureaux, as the existing structure of UNIFEM was part of the reason for its success.

45. In seeking to resolve the issue of successor arrangements for agency support costs, it was important to ensure that the debate was not delayed for technical reasons. If the members of the Governing Council could agree on working figures, they could also agree to re-examine those figures in 1993, after some experience had been gained.

46. Lastly, his delegation looked forward to the contribution which UNDP could make to the follow-up to the World Summit for Children. It would welcome comments from the Administrator on any linkage between the Plan of Action adopted at the World Summit and the implementation of the recommendations of the Human Development Report 1991.

47. Mr. VELOSO (Mozambique) said that the comparative advantages of UNDP in the development field had earned it wide appreciation from developing and developed countries alike. As a result of new political and economic realities, there was a need for UNDP to play a central role in helping developing countries to strengthen and utilize their own human resources potential, to acquire and adapt new and appropriate technologies, and to foster national institutions capable of dealing with internal and external challenges.

48. With the successful conclusion of the discussions on the fifth programming cycle, the basic framework for UNDP action had been agreed upon. He reaffirmed his country's support for UNDP activities, particularly its clear field orientation and special focus on the poor countries. His delegation also attached importance to improving the capacity of UNDP to respond adequately through innovative measures and efforts. Accordingly, it was time for UNDP to be given a chance to respond, to the best of its ability, to the challenges which would arise in the fifth programming cycle. It was imperative to heed the Administrator's repeated appeals concerning the agreed targets for core resources.

49. Quality, local impact and sustainability were essential criteria for United Nations projects and programmes. The national execution modality, as referred to in General Assembly resolution 44/211 and Governing Council decision 90/34, was paramount in that regard. His delegation saw the promotion of national execution as an evolutionary process in which the United Nations development system could assist recipient countries in assuming full responsibility for and direct management of programme and project implementation. He noted with satisfaction the proposal made by the Administrator to establish programme support units to provide administrative and procurement services. He was also greatly encouraged by the positive results achieved so far by UNDP-sponsored workshops and other training initiatives in several African countries. Those results were tangible evidence of the need for and viability of efforts to strengthen management capacities for national execution. Mozambique viewed the programme support units as indispensable tools for the coordination and effective promotion of national capacities in the formulation and implementation of programmes and projects, while providing for the mobilization and utilization of local capacities. The Administrator should include in his next annual report a separate chapter on that issue, with special focus on ways and means to promote national execution through the programme support units.

50. Recalling that the final review of the implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 was scheduled to take place in September 1991, he expressed gratitude to the UNDP Regional Bureau for Africa and to UNDP as a whole for their support of the Programme of Action. It was to be hoped that UNDP support for Africa would be maintained or increased in the next few years, especially in connection with the successor arrangements for the Programme of Action.

(Mr. Veloso, Mozambique)

51. The existing special initiatives should be pursued and new ones could be considered, taking into account the mobilization of additional resources. The national technical cooperation assessment and programmes should continue, since they were a powerful tool for the coordination and rationalization of technical assistance. Another UNDP initiative which deserved strong support was the Social Dimensions of Adjustment project. He welcomed the collection of data on social indicators in 10 recipient countries as a first step. It was essential to provide that project with sufficient resources to allow it to make progress and be expanded.

52. His delegation attached great importance to the role of UNDP in questions pertaining to displaced persons, refugees and returnees. The task was to ensure that UNDP was technically and institutionally prepared to integrate emergency, rehabilitation and reconstruction activities into the development process of the country concerned. External assistance for the reintegration and normalization of the lives of displaced persons and returnees was almost non-existent. That was an area in which UNDP might be qualified to assist the Governments concerned. The need was even more acute at a time when the end of many protracted regional conflicts, including conflicts in southern Africa, was approaching.

53. In that connection, his delegation welcomed the recent peace agreements in Angola. Likewise, his Government remained committed to the search for an urgent end to the war in Mozambique, and was currently involved in the sixth round of peace negotiations held under the auspices of the Italian Government.

54. In the light of the prospects for a new era of reconstruction, cooperation and development in southern Africa, UNDP should be duly prepared so that it could effectively respond to forthcoming requests from Governments of the region. Recent UNDP responses to disasters in various parts of the world illustrated its ability to provide the appropriate assistance in designing integrated programmes which linked emergency and development operations. The Programme should intensify in-house consultations in order to fully benefit from positive experiences acquired in various countries and regions.

55. Future issues of the Human Development Report should be discussed in the Governing Council once every two or three years. As for the Human Development Report 1991, his delegation supported its fundamental principles and concurred with its emphasis on the non-economic factors of development. However, the report had not sufficiently addressed the question of the impact of war on a country's development, particularly its devastating human consequences. Furthermore, the proposal to restructure national budgets and international aid in favour of human development was only a partial solution to development issues. Poverty could not be treated merely as an internal political problem; its economic dimension must also be taken into account. In many developing countries, the inequities of the international economic system were also a major factor. International cooperation and human solidarity were needed in order to translate the various recommendations into concrete actions.

(Mr. Veloso, Mozambique)

56. UNDP should continue promoting human development goals, and deserved the support of all in that area. It could certainly rely on his Government's continued cooperation at the field and headquarters levels.

57. Mr. BASSIN (Finland) said that his delegation agreed with the view expressed in the Human Development Report 1991 and in the Administrator's statement at the Council's 20th meeting that the 1990s might be the era of a new development ethos, a time to compensate for earlier mistakes or omissions and to create new policies for a better world. The International Development Strategy for the Fourth United Nations Development Decade and the results of the eighteenth special session of the General Assembly should be viewed as the starting-point for the work of UNDP during the 1990s. His delegation endorsed the observations of the representative of the Netherlands, speaking on behalf of the European Economic Community, in that regard.

58. By focusing on people as the ultimate beneficiaries of development, on the protection of the natural environment, and on the responsibility of the developing countries for their own development, UNDP now had the opportunity to give practical meaning to the vision of the Programme as the central development agency and funding organization of the United Nations development system. Once UNDP's proper role had been defined, a strategy for UNDP should be elaborated, as recommended in the report entitled "A strategy-based senior management structure for the United Nations Development Programme (UNDP)" (DP/1991/50).

59. The Administrator had proposed a conceptual discussion on the criteria for allocating resources in preparation for the sixth programming cycle. His delegation proposed that the discussion should be turned into a debate on UNDP as a whole, with a view to determining its course during the 1990s. The report on the Nordic United Nations project contained proposals which could serve as starting-points for such a debate. It presented recommendations about the respective roles of UNDP and the specialized agencies, and proposed that the central funding role of UNDP should be made more effective, that there should be an enhanced focus on and utilization of the comparative advantages of UNDP, and that UNDP should provide more policy advice and increase dialogues with recipient countries, taking full advantage of the existing analytical capacity and sectoral expertise of the United Nations system. The reform of UNDP must be viewed in the context of the reform of all United Nations operational activities for development, and of the United Nations system as a whole.

60. Increased financial resources were needed to enable UNDP to play the central funding role envisaged for it, and bold new financing methods must be found, possibly including negotiated pledges as envisaged in the report on the Nordic United Nations project. That report also contained suggestions to enable Member States to engage in a much more continuous dialogue with the Administrator than the current Governing Council sessions permitted. Financing innovations should also aim at improving burden-sharing among donor

(Mr. Bassin, Finland)

countries, since the current system was a source of substantial criticism in his own and other donor countries. Unless changes were made, the 1990s could see a period of stagnation in multilateral technical assistance efforts throughout the United Nations, and the increased marginalization of UNDP in the developing world.

61. The Human Development Report 1991 represented an improvement over the previous report. The introduction of the political dimension of development in the form of the human freedom index was a courageous and necessary step. He hoped that further research and experience would bring about refinements in the techniques of compiling the human development index, the human freedom index and any composite indices that might be formulated. The main lesson of the report - applicable to recipient and donor countries alike - was that the eradication of poverty in developing countries was more a question of identifying and implementing the right policies than of simply increasing the amount of financial and other resources devoted to the task. The next issue of the Human Development Report should provide guidance for the debate on criteria for the sixth programming cycle and on the future role and comparative advantages of UNDP in the global development effort.

62. The Human Development Report 1991 was another reminder of how such issues as the eradication of poverty, environmental matters and the role of women in development were inextricably linked with all efforts to promote development. Those issues must be the focal point of all UNDP's undertakings.

63. He underscored the vital importance of national execution on development cooperation, for it underlined the recipient country's responsibility for its own development, emphasized that development assistance should be provided in support of national development efforts, and enabled Governments to reassume responsibility for projects and programmes, a responsibility they should never have lost, and to ensure the coordination and optimal use of external assistance. His delegation therefore welcomed the move towards a programme approach in UNDP's operations, whereby programming would be derived more from national priorities and the needs of the recipient economy as a whole than from the preferences of individual decision-makers.

64. Mr. SEZAKI (Japan) said that international economic cooperation was more important than ever and that the United Nations development system, and UNDP in particular, should play a greater role in that area. His delegation strongly supported the three guiding principles enunciated by the Administrator at the Council's 20th meeting.

65. The concept of technical cooperation had reached philosophical maturity as discussions in various forums had helped to define its role in the 1990s. He drew particular attention in that connection to General Assembly resolution 44/211 and Council decision 90/34.

(Mr. Sezaki, Japan)

66. The Human Development Report made it clear that people should be placed at the centre of development, and provided useful suggestions for promoting human development. His delegation welcomed UNDP's focus on the needs of the poorer countries, particularly the least developed countries, and on national execution and the programme approach as important means to enable developing countries to achieve sustainable development and self-reliance.

67. Because the resources available to UNDP would increase only slightly in the coming years, it was essential to streamline its structure in order to allocate the maximum possible resources for the actual provision of assistance to developing countries. It was also vital for UNDP to deliver programmes and projects of higher quality, focusing on areas where it had a comparative advantage. His delegation was therefore encouraged that the Administrator had proposed a net reduction in the administrative core budget for 1992-1993. Adherence to the principle of cost-effectiveness demanded that the Council should regularly meet at its headquarters in New York, as that would permit the more active participation of delegations and would yield financial savings.

68. He commended UNDP for its efforts to familiarize policy makers at various levels with the human development approach through seminars and workshops, and for its collaborative efforts with some recipient Governments to prepare comprehensive human development country studies and/or strategies. However, since UNDP was responsible for funding technical cooperation, its primary responsibility should, as far as possible, be confined to the economic development of recipient countries. Accordingly, his delegation questioned whether it was appropriate for UNDP to divert what were limited financial resources to assist with the establishment of centres for human rights in developing countries. In that connection, his Government had announced in April that it intended to devote particular attention to the following considerations when allocating official development assistance: firstly, whether a recipient country was striving to promote democratization and a market-oriented economy and whether it safeguarded basic human rights and freedoms; secondly, the decisions it was making regarding military expenditures. That policy had been introduced to help countries make full use of the human and other resources available to them to promote economic and social development.

69. Despite internal and international efforts to revitalize the development of the least developed countries, they faced economic stagnation. His delegation welcomed the decision of UNDP to increase its allocation to the poorer countries during the fifth programming cycle. One major challenge was how to help the countries concerned formulate an efficient strategy for utilizing all available resources in such priority areas as the eradication of poverty, rural development, and the building of an indigenous human and institutional capacity. His country was stepping up its assistance to the least developed countries through bilateral and multilateral channels.

70. Mr. FERNANDEZ-PITA (Spain) said that his delegation fully endorsed the statement by the Netherlands representative on behalf of the 12 members of the European Economic Community, and hoped that Community cooperation with respect to the operational activities of the United Nations system would gradually increase. Underscoring his Government's support for UNDP, he said that it hoped to continue increasing its financial contribution as its resources permitted.

71. His delegation welcomed the Human Development Report 1991, and hoped that in future issues the analytical methods and tools would be refined to yield increasingly more useful data. The inclusion of information on the human rights situation in each country was useful as a measure of the well-being of its citizens. However, it was unfortunate that the human freedom index had been based not on information provided by the United Nations, but on data from a private source, and that even that data had been presented in a distorted manner. An objective initial criterion would be the number of United Nations human rights instruments signed by each country, as well as the number of clauses or protocols indicating its acceptance of international monitoring of respect for human rights in its territory.

72. Turning to the annual report of the Administrator for 1990 and programme-level activities (DP/1991/10), he said that his delegation fully agreed that the International Development Strategy for the Fourth Development Decade should constitute the fundamental framework for UNDP's activities in the coming years. It was also essential to bear in mind the Declaration adopted at the eighteenth special session of the General Assembly, and the Declaration and Plan of Action adopted at the World Summit for Children.

73. He recalled that Council decision 90/34 had identified six priority areas on which UNDP should focus to strengthen national capacity. His delegation was deeply aware of the serious problems confronting the least developed countries, particularly those in Africa, and agreed that they merited the priority accorded them by the Governing Council. It also wished to underscore the importance which the Council attached to the development of the Mediterranean region. Reiterating his country's commitment to assist the countries of Latin America and the Caribbean, which were receiving a decreasing level of resources compared with other areas, he drew attention to a number of multilateral programmes in the region to which his Government contributed. His country supported the principles which should guide development cooperation during the 1990s and would devote particular attention to the six priority areas which had been identified, the environment in particular. Improved coordination among the various United Nations agencies providing disaster relief was highly desirable, and UNDP should play its proper role in that regard.

74. In conclusion, he said that the Management Development Programme, which his country supported, was of particular importance in helping recipient countries strengthen their institutional capacity, which was the foundation for self-reliant and sustained development.

75. Mr. MUNTASSER (Observer for the Libyan Arab Jamihiriya) said that his country had joined with UNDP in many projects on a cost-sharing basis, in such important sectors as agriculture, industry and training. Despite the relative success of the Programme, there had nevertheless been a number of problems, such as a deterioration in the standard of the expertise provided by the United Nations system, rising costs and the Programme's inability to train national personnel for purposes of self-reliance. The Libyan Arab Jamihiriya had always stressed the need to develop international cooperation on the basis of the purposes and principles of the Charter of the United Nations. It was to be regretted that the Human Development Report 1991 had relied on a single source in establishing the human freedom index, namely The World Guide to Human Rights by Charles Humana. There could be no doubt that the author had been biased and that he had focused on certain criteria that were not characterized by universality and impartiality, as could be seen from his remarks on the African and Muslim countries. The book had ignored the sublime moral values introduced by the revealed religions and had adopted particular criteria that were primarily applicable to the countries that had established those criteria. It had ignored the other important norms that mankind as a whole was seeking to meet, as exemplified by the well-being of peoples and their security and integrity. It had made no mention of the provision of educational and health services, of standards of living, of the provision of housing and employment or of increased life expectancy as a result of improved economic and social conditions. Had the book employed fair criteria, it would not have been possible to place certain countries in the high-freedom ranking, particularly those that suffered, as was known to the entire world, from such evils as crime, unemployment and indecency, and whose peoples suffered from homelessness and discrimination in employment and standards of living.

76. Much that was contained in the Human Development Report 1991 was not consonant with the true situation in his country, and it was to be regretted that there had been no consultation with the countries and regional groupings concerned, as had been requested by the Governing Council in its decision 90/13. The Jamihiriya was of the view that the inclusion of the human freedom index in the 1991 report was a dangerous matter, and it regretted that UNDP officials had participated in its drafting. It called upon the Council to withdraw that part of the report based on Mr. Humana's book.

The meeting rose at 1.05 p.m.

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SUMMARY RECORD OF THE 22nd MEETING

Held at Headquarters, New York,
on Monday, 10 June 1991, at 3 p.m.

President:	Mr. PIRIZ-BALLON	(Uruguay)
later:	Mr. JASINSKI (Vice-President)	(Poland)

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Annual report of the Administrator for 1990 and programme-level activities (continued)

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The meeting was called to order at 3.05 p.m.

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1990 AND PROGRAMME-LEVEL ACTIVITIES (continued) (DP/1991/10 and Add.1-4, DP/1991/11-15, DP/1991/57, DP/1991/77)

1. Ms. MINESS (International Research and Training Institute for the Advancement of Women (INSTRAW)), said that the Institute was willing to join forces with UNDP to undertake the studies necessary to elaborate measures for changing the social status and economic dependency of women so as to enable them to protect themselves and their children from the effects of HIV infection. Because of women's increased vulnerability, the number of AIDS cases among women was rising faster than among men.

2. The issue of AIDS, in particular women and AIDS, was not just one of health, but also one of development. Accordingly, INSTRAW had designed a project for formulating and implementing national plans of action to prevent HIV/AIDS among women. In close cooperation with selected national organizations, INSTRAW would assist in preparing and organizing national workshops/encounters to develop strategies for national AIDS prevention. Two of the overall objectives of the project were to contribute to global efforts to prevent the further spread of HIV/AIDS to women, and to strengthen national machinery by coordinating the formulation and implementation of national action plans, including the effective mobilization of resources for such plans.

3. The project's secondary outputs would include country-specific research on the socio-economic factors involved in the issue of women and AIDS, and models of effective resource mobilization obtained from initial pilot testing workshops which could be replicated in other countries.

4. Mr. AMISSAH-ARTHUR (Ghana) said that Africa did not intend solely to depend on development assistance for its development. It was time that developed countries adequately remunerated developing countries for their products. African produce should also be given greater access to the markets of the industrialized countries.

5. More needed to be done to increase external financial flows which would accelerate the pace of economic growth in Africa. Policy reforms for overcoming economic stagnation needed support, and the implementation of difficult structural adjustment programmes required that adequate financial resources be mobilized. There was also a need to take more decisive action on debt servicing and the rising protectionism in international trade.

6. UNDP must maintain an appropriate balance between institution-building and development programmes. While democracy, especially at the grass-roots level, was a necessary condition for stable economic development, his country did not share the view that democracy should be tied to aid conditionality. The organic process of healthy democratic growth was endogenous and any attempt to force it towards standards imposed from the outside could only result in maiming it.

(Mr. Amissah-Arthur, Ghana)

7. With the start of fifth cycle programmes, many countries were being expected to execute larger programmes themselves. That would involve increased managerial, auditing and financial reporting responsibilities. UNDP would have to organize workshops and training programmes for its field personnel and for national personnel in order to forestall the danger of excluding Governments from participating in the execution of programmes and projects. UNDP should not be responsible for mobilizing managerial capability outside government sources, and setting up the management structure proposed by the Administrator would undermine Governments' role in effective project execution. Furthermore, UNDP's own role might not be any different from the role now being played by the specialized agencies, and the concept of national execution would thus be lost.

8. His delegation believed that UNIFEM should be maintained as a unit solely responsible for women's activities and should not be merged with other UNDP organs.

9. Dr. MERSON (World Health Organization) said that as of 1 June 1991, over 366,000 cases of AIDS had been reported to WHO from 162 countries and territories. Taking into account under-diagnosis, under-reporting and reporting delays, WHO estimated that the cumulative global total of AIDS cases was now more than 1.5 million. Furthermore, at least 8 to 10 million HIV infections might have occurred in adults world wide; 3 to 4 million of those infected were women, and about 1 million children might have been born infected with HIV.

10. While the rate of new HIV infections appeared to be slowing among certain populations in some industrialized countries, it was increasing markedly in developing countries, especially in sub-Saharan Africa. On the basis of those trends, 10 to 20 million new infections might be expected in adults during the 1990s, and for the year 2000 WHO's current projection was that there would be a cumulative total of 30 to 40 million HIV infections. That projection might turn out to be conservative if the dynamic spread of HIV infection remained unchecked, particularly in South-East Asia.

11. The efforts of the WHO Global Programme on AIDS had been focused on building national AIDS programmes. Unfortunately, just as those programmes were becoming more effective and able to absorb additional resources, the voluntary funding received by the Global Programme had levelled off, forcing it to reduce its approved 1991 programme budget from $101 million to $72 million. In the face of that epidemiological and financial situation, there was a growing global consensus on the need to fight complacency in the donor community, promote multisectoral action to deal with the health, social and economic consequences of the pandemic, improve global mobilization, targeting and utilization of technical and financial resources, and review the progress achieved by countries to date in the fight against AIDS, possibly by means of an international conference or ministerial summit.

(Dr. Merson, WHO)

12. Programmatically, six areas on which to focus in the coming decade had been defined. Those areas were: strengthening national programmes, generating a wider multisectoral response to AIDS prevention and control, strengthening the technical basis for action to alter behaviours and provide care, providing support for vaccine and clinical trials in the developing world, countering discrimination against HIV-infected persons, and fighting complacency and denial.

13. The most urgent priority, however, was to promote planning for the economic and social consequences of the pandemic. The theme of World AIDS Day on 1 December 1991 would be "AIDS: Sharing the Challenge". The proliferation of AIDS-related activities in an increasing number of sectors required that all United Nations agencies focus on coordination and cooperation to ensure harmony of approach and maximize efficient use of scarce resources. The Global AIDS Strategy would soon be updated to further define the relative roles of members of the United Nations system, especially in supporting national efforts to fight the pandemic.

14. Mr. KY (Observer for Viet Nam) said that the ongoing process of restructuring economic sectors, resources and priorities in Viet Nam had released tremendous participatory initiatives from all quarters of Vietnamese society. The current process of reform gave priority to management development, particularly to strengthening the national capacity for macroeconomic management, which was vital to the success of other adjustment programmes.

15. However, many difficulties lay ahead on Viet Nam's road to development. Living standards remained low, per capita GNP was still under $200 per annum, and the national economy had not been stabilized. Inflation was still high and there was an acute balance-of-payments problem. Population growth, though significantly reduced, was still 2.2 per cent.

16. Restructuring had itself given rise to a number of problems that required urgent solutions, such as the need for a comprehensive legal system to match the development of a market economy, lack of skills and experience in economic management and public administration, shortage of financial resources and poor and inadequate infrastructures. It was against that backdrop that the country's highly effective cooperation with UNDP, and with UNFPA, UNIFEM, UNCDF and other UNDP funds and programmes, had helped lay the foundations for accelerating Viet Nam's socio-economic development in the years to come.

17. Mr. GALAL (Observer for Egypt) said that his country was very pleased with its cooperation with UNDP, which was in keeping with its national goals and the priorities of the Arab regional programme and included a number of projects relating to women, trade, debt management and the environment. Nevertheless, there was room to strengthen that cooperation in future, particularly in view of the start of the new country programme in 1992. He noted the active role played by UNDP in preparation for the 1992 Conference on Environment and Development and hoped that further documentation would be

(Mr. Galal, Observer, Egypt)

issued on the Arab and African regions. Egypt also looked forward to the launching of a major Arab States regional project to strengthen the participation of non-governmental organizations in the region's development.

18. UNDP had played a very useful humanitarian role during the Gulf crisis and the close contact which it had maintained with the Egyptian Government was commendable. The greater UNDP role in assisting the Palestinian people should continue. That issue merited particular attention at the present crucial time.

19. Referring to the report of the Administrator on human development (DP/1991/11), he said that continued consultations on the specific concerns and priorities of developing countries were very important. More consideration should be given to that document as it related to data and methodology. An ongoing review was necessary to ensure conformity with the agreed criteria, priorities and specific needs of developing countries. The report might be brought formally to the attention of recipient countries so that they could express their views on it. Lastly, as a recipient country, Egypt reaffirmed its full support for UNDP and for its flexibility, universality and neutrality.

20. Mr. SHIN (Observer for the Republic of Korea) said that while an era of immense opportunity was now in sight, the problems of the developing countries remained. The role of UNDP in tackling those problems, both as a funding agency and as a central coordinator for development activities, could not be overemphasized. The Programme should promote human development in order to enable developing countries to become self-reliant. His Government welcomed the efforts being made by UNDP in that area and commended the report of the Administrator on human development (DP/1991/11). Such basic human rights as education, employment, health and shelter must be ensured in order to achieve true human development and UNDP activities should focus on those areas. His delegation placed great emphasis on capacity-building to promote the self-reliance of developing countries. National execution was the ultimate tool for developing countries to gain practical experience in that regard. Governing Council decision 1990/21 set out clear directives for national execution during the fifth programming cycle. Such execution should begin with a comprehensive discussion with individual Governments, in order to reach agreement on its pace and scale. There was a need for more active involvement of the specialized agencies in that area, particularly at the programme and project level.

21. With regard to the criteria for allocating country IPFs to net contributor countries, he felt that abrupt graduation to net contributor status would greatly discourage the developing countries concerned from participating in UNDP activities. The floor principle must be retained to ensure the universality of the Programme and prevent a drastic cut-off of country IPFs. Those countries which would graduate to net contributor status in the fifth programming cycle should receive no less than 60 per cent of their country IPFs for the fourth programming cycle. His Government was ready to negotiate an agreement with the Administrator on his proposal in document

(Mr. Shin, Observer, Republic of Korea)

DP/1991/24 to close field offices in those countries with programme activities of less than $10 million in the fifth programming cycle.

22. Although the Buenos Aires Plan of Action should continue to be the framework of the United Nations development system, a comprehensive review was necessary to refine TCDC in order to cope with the new situations facing developing countries in the 1990s. That review would contribute greatly to the formulation of an integrated strategy for TCDC activities in the fifth programming cycle. His Government participated actively in United Nations development activities and had always attached great importance to close cooperation with other developing countries. It had been implementing a series of economic and technical cooperation schemes in order to share its development expertise with them.

23. He welcomed the Administrator's efforts to ensure the continued growth of the Programme's financial resources through the measures taken under Governing Council decision 90/14. Greater public awareness of UNDP programmes would enhance support for their funding. Lastly, his delegation reiterated its full support for the Programme's activities.

24. Mr. AL-FAIHANI (Observer for Bahrain) said that UNDP must, if it desired world-wide support, be flexible in its policies and ensure that technical assistance was provided to all developing countries.

25. The net contributor issue had given rise to various problems between UNDP and certain recipient countries during the fourth programming cycle because of inconsistencies in approaches thereto. It was to be hoped that the Programme would, during the fifth cycle, take due account of the size, population, geographical position and political situation of island developing countries, as well as of the vulnerability of their economic infrastructure. His delegation hoped that the report contained in document DP/1991/24 would contribute to a final solution of the problems posed by net contributor status. However, the options proposed did not reflect recent international developments, including the Gulf crisis and its serious economic repercussions for the nations of the region, nor take full account of the situation of island developing countries. The proposals concerning the costs of field offices in net contributor countries were impractical both because they did not take account of bilateral agreements and because the proposed threshold for programme activities was extremely high. He questioned why the Programme's attempts to reduce expenditures did not cover all offices where programme activities amounted to less than $10 million, rather than only those in net contributor countries.

26. The net contributor issue must be dealt with separately from the costs of field offices for the following reasons: field offices had been established on the basis of bilateral agreements with UNDP and any change in those agreements must be made by a further bilateral agreement, with an equivalent agreement applying to all recipient countries; it was unjust to impose certain criteria only on net contributor countries in a manner which, from the legal

(Mr. Al-Faihani, Observer, Bahrain)

standpoint, created two categories of countries and two types of agreements; since the level of programme activities and the funds required for offices in net contributor countries was very low, donor countries should not be asked to meet those costs; to close offices in some countries as opposed to others would mean that assistance was no longer universal and would represent a retreat from the Programme's commitment to developing countries; his country's agreement with UNDP specified that funding of the Programme's office would be determined by agreement between the two parties; UNDP was a voluntary organization serving the human development objectives of the developing world; and, as a newly independent State, his country continued to require assistance from UNDP. Finally, those who argued that the Programme's resources should be directed towards the poorest countries were using per capita GNP as their basic criterion for determining whether a country was rich or poor. That criterion was not always appropriate, given that the per capita GNP of some developing countries, particularly islands, exceeded the per capita GNP of certain industrial nations.

27. Mr. MOORE (United States of America) stressed the need for improved coherence, impact and sustainability of United Nations development efforts, particularly in view of the recent changes in the international political environment. Events in Eastern Europe, Asia, Africa and Latin America had made it possible to forgo the artificial distinctions among different aspects of the development process. Participatory development was essential in order to achieve human development goals. The report of the Administrator on human development (DP/1991/11) had contributed greatly to a better understanding of the human dimensions involved. In 1990, his delegation had encouraged UNDP to explore mechanisms for measuring human freedom and was especially pleased with the effort made by the Programme. The refinements made in the human development index were valuable and UNDP should continue to improve ways of measuring education, literacy and human freedom.

28. UNDP should work to achieve an international consensus on measuring human freedom and should continue to improve the database, refine the weighting of the factors included in the human freedom index and determine how to reflect the two indices in a composite ranking. His delegation urged the Programme to make the human development index and other social factors a framework to be used by nations in preparing their own human development strategies.

29. UNDP cooperation with non-governmental and grass-roots organizations was an important component of the total development effort. He encouraged increased cooperation among Governments, non-governmental organizations and the Programme and urged UNDP to involve the United Nations Volunteers (UNV) in planning the use of special programme resources and consider ways of using the UNV domestic development service in grass-roots activities. His delegation was pleased to note that the Africa 2000 Network was now fully operational in eight countries and that UNDP had plans to extend the programme to other geographical areas.

(Mr. Moore, United States)

30. The United States strongly supported the Administrator's priorities and criteria concerning the Management Development Programme. The major part of its funds should be used as catalytic contributions to broad programmes where there was a high-level political commitment to reform and where conditions would sustain change. UNDP should continue to seek other sources of funding for project activities and increase the focus on such areas as decentralization and civil service reform. Although the programme approach seemed especially appropriate for that type of assistance, clear goals were necessary in order to identify achievements. His delegation would welcome specific information on the results of UNDP assistance provided thus far in that area.

31. Progress in the area of women and development had been slow in UNDP and elsewhere in the United Nations system. He noted the Programme's plans to revise its training in gender sensitivity and called for expanded coordination and cooperation with other organizations providing similar training. The responsibility for ensuring that all the Programme's work was gender sensitive should rest with the heads of operational and policy units and, through them, with the field offices. Women-in-development concerns should be integrated into all programmes. The Division for Women in Development should provide a service function to policy and operational units. The designation of subregional advisers for women in development, within existing resources, could be a helpful step. Top-level management should strengthen the means for holding field office and headquarters operational and policy units accountable for integrating gender concerns into UNDP programmes.

32. Like other parts of the United Nations system, UNDP had been evolving an approach to the AIDS pandemic which was consistent with its mandate. The focus of the Programme's assistance should be the human and economic development implications of the pandemic. His delegation endorsed the focus identified by UNDP and recommended that the Programme should continue to coordinate its efforts with the WHO Global Programme on AIDS and with other multilateral and bilateral donors and non-governmental organizations involved in AIDS initiatives. UNDP should hold consultations with bilateral and multilateral agencies which projected the path of HIV infection and document and coordinate their activities. The issue of HIV/AIDS prevention, and care and support for women, was of great importance and UNDP should step up its efforts and information-sharing in that area.

33. His delegation welcomed the priority given by the Administrator to activities for environmental conservation and national resources management. The United States was currently studying a Joint Inspection Unit report on the environmental activities of UNDP and a number of other United Nations agencies. It might be useful to consider the findings of that report in relation to the Programme's proposals for activities to be financed from special programme resources.

(Mr. Moore, United States)

34. The annual rate of growth of total voluntary contributions of 8 per cent assumed in Governing Council decision 90/34 might be optimistic. Although the appropriation process was not yet complete, his Government hoped to increase its contribution to UNDP in 1991. Reaching and sustaining the 8 per cent annual rate of increase depended on the Programme's ability to demonstrate its effectiveness in addressing critical needs. His delegation expected that as country programmes came up for review in the fifth programming cycle, the review processes put in place during the fourth cycle would be applied even more rigorously, and that the dialogue with recipient Governments would be strengthened.

35. Mr. Jasinski (Poland), Vice-President, took the Chair.

36. Mr. GIOVANNINI (Switzerland) said that the Administrator's report was very encouraging. It showed that extreme poverty and deprivation were not necessary evils and that even countries with very limited physical or economic resources could achieve very positive results through human development. The report was a challenge to all countries, Switzerland included. It had been well received in many developing countries and the effects of UNDP's efforts at dialogue had begun to show up in several country programmes. His delegation encouraged the Administrator to pursue those efforts, but believed that the concept of the measurement of human freedom should be more clearly defined and, perhaps, more closely based on universally accepted values such as those enshrined in the Universal Declaration of Human Rights.

37. His delegation also welcomed the Council's decision on the fifth programming cycle and the development of a funding strategy. It was essential for UNDP to better define its role and to concentrate its activities in fields where it had real comparative advantages and in those countries most in need of donated technical cooperation. In the past, UNDP programmes had too often been small scale and unfocused and had thus had a very limited development impact. Some corrective action had been taken, but more was needed. The definition of priority issues for the fifth cycle did not mean that all IPFs must cover every issue.

38. With respect to the overall level of resources, Switzerland intended to maintain its traditional support for UNDP, but felt that an 8 per cent annual growth target could not be met unless the burden of financing was more widely shared. It hoped that the number of net contributors, and the amount of their contributions, would steadily increase.

39. Switzerland was helping to support the reforms taking place in Eastern Europe, but made a clear distinction between such support and its traditional solidarity with developing countries. It hoped that UNDP support for Eastern Europe would be additional to and separate from its assistance to developing countries.

(Mr. Giovannini, Switzerland)

40. With respect to agency support costs, his delegation appreciated the efforts made on all sides to arrive at an acceptable solution, but reminded the Council that one important goal was a substantial improvement in the quality of the advice and technical support provided by the specialized agencies, and that UNDP must have the financial means to make such an improvement. It was also vital that the new system should be transparent, understandable, easy to implement and therefore inexpensive to manage.

41. On the question of national execution, his delegation still considered that the transition to national execution should be gradual rather than sudden. The main consideration should be the usefulness of the project to be funded; the manner of its execution must be agreed upon between the country and the UNDP resident representative.

42. Mr. GIANELLI (Uruguay) said that 1990 had been a key year for United Nations economic and technical cooperation activities. The General Assembly had adopted a number of resolutions that were sure to set the agenda for the 1990s. UNDP must adjust its activities to that agenda.

43. The Human Development Report 1991 represented a good attempt at combining the economic and social aspects of development, but fell short of balancing the two. In his annual report (DP/1991/10), the Administrator said that "the concept of measuring progress in terms of human development rather than by the established criterion of per capita GNP" had been well received, but that was not true: it was the additional use of human development indicators that had been well received, and that did not mean that they would replace traditional development indicators. However, his delegation's main concern was with the human development index the report proposed, which did not reflect either the scale, the nature or the seriousness of the development problems of the majority of developing countries. It was misleading to assign the Latin American and Caribbean countries a human development index similar to that of the developed countries, and the result might be a loss of funding to countries that had made large social investments in the past and were now experiencing great difficulties. In general, the report did not reflect adequately the seriousness of the economic and social crisis that Latin America had been experiencing since the early 1980s.

44. His delegation concurred fully with other delegations which had said that a human freedom index was out of place in a report intended to clarify aspects related only to countries' economic and social development. The Council should adopt a draft decision establishing more precise guidelines for studying that question in the future, and the report under discussion should not form the basis for any ranking of countries for funding purposes.

45. The Council would recall that Uruguay was among the countries that had invoked Article 50 of the United Nations Charter in relation to the Gulf crisis, and that the Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait had recognized the urgent need for assistance to be given to Uruguay so that it could deal with

(Mr. Gianelli, Uruguay)

the special economic problems arising from its having broken off its economic relations with Iraq and occupied Kuwait. It had also called on the agencies of the United Nations system to re-examine their programmes of assistance to Uruguay with a view to alleviating the special economic problems arising from the application of sanctions against Iraq.

46. His delegation considered it essential that direct execution by Governments be reinforced. National execution maximized scarce technical cooperation resources by reducing the support costs paid to other executing agencies. However, direct execution must remain at the discretion of Governments and must not be imposed by UNDP.

47. Uruguay also supported decentralization and the strengthening of field offices through a broader mandate for resident representatives. A resident representative should not, however, disregard the sovereignty of recipient Governments and impose his own development objectives.

48. Lastly, his delegation wished to emphasize the importance of UNDP's Management Development Programme for relatively developed countries such as Uruguay. Modernization of the State was vital to the development of such countries and could be achieved only by enhancing the efficiency of the economic management of the State apparatus and adjusting its size and scope. Uruguay's proposed solutions were based on the following general principles: redefinition of the role of the State in the economy; promotion of efficient management of State-run enterprises, where possible in a competitive environment; more efficient delivery of goods and services essential to national development; greater public accountability of State-run enterprises; promotion of the privatization of activities not intrinsically the preserve of the State; and the elimination of government funding of State-run enterprises. Uruguay hoped that it would continue to enjoy UNDP's cooperation in those areas.

49. In conclusion, his delegation believed that UNDP must transform itself into a more efficient and functional entity if it was to continue to fulfil the economic and social development requirements of its member countries.

50. Mr. Piriz-Ballon (Uruguay) resumed the Chair.

51. Mr. KURTH (Germany) noted that a year earlier, members of the Council had been relatively optimistic in assessing global economic and political developments. Unfortunately, recent events in the Middle East had made them realize how fragile their hopes had been and how fragile many political structures and relationships still were. More imagination, patience, courage and perseverance were required to stabilize the still promising international climate.

52. The United Nations in particular had a very crucial role to play. The political environment had never been more encouraging for the United Nations family to stabilize peace and security and to promote social and economic

(Mr. Kurth, Germany)

development. There had been quite a few attempts in the past to improve the efficiency of the United Nations system. There were currently some very interesting reform proposals before the Council, such as the Stockholm initiative, which sought to amalgamate some major initiatives of the past.

53. UNDP had always played an important role in the operational field, but as a contributor to the broad international dialogue on possible new strategic approaches it had not, in his delegation's view, been among the leading agencies for the past 10 years. His delegation therefore welcomed the approach taken in the Human Development Report and its frank analysis of circumstances usually treated as taboo in international forums. The conclusions drawn from the analysis were also attractive, although there was certainly room for further refinement, particularly with respect to the human freedom index. The basic approach of introducing new parameters in order to better grasp and measure the main elements that made up decent human living conditions was, however, an impressive contribution to forging more effective development strategies.

54. Germany hoped that the new cycle of country programmes would, at least in part, reflect the endeavours of recipient countries to introduce important reforms and to allow more leeway for participatory development and private initiative. A growing consensus seemed to be emerging that democratic and market-oriented economic structures, combined with mechanisms for coping successfully with social and ecological concerns, did offer a more favourable environment for social and economic development in all countries. UNDP should foster such an environment wherever feasible. Cooperation among developing countries could also play an increasingly important role.

55. His delegation trusted that the new procedures for country programmes would prove effective. While various decisions remained to be taken, he believed that compromise solutions should be found so that programmes of the greatest benefit could be delivered to recipient countries.

56. The most recent figures on world population once again demonstrated the overwhelming challenges of the vicious circle of uninhibited population growth, increased poverty and environmental degradation. A reasonable balance must be established between available resources and population growth. His delegation wished to encourage UNFPA in its endeavours, while stressing that a greater effort was required from bilateral donors. Germany had developed a new population policy concept providing for increased participation by developing countries themselves and aimed at poverty alleviation and education in order to promote the role of women in development.

57. With regard to funding, united Germany faced serious budgetary constraints owing to the cost of integrating the eastern region into the country's social market economy. In addition, there were further challenges in Eastern Europe to which Germany would need to respond. Those burdens would not be shouldered at the expense of Germany's aid budget which, in fact, had

(Mr. Kurth, Germany)

recently increased in real terms. There was, however, a problem in terms of contributions to UNDP, since his Government had little leeway to increase its multilateral contributions, which amounted to almost one third of its total aid budget. Germany had sizeable bilateral commitments in addition to its multilateral commitments, and its contribution to UNDP should be seen in the light of those commitments. There should, however, be no doubt as to his Government's attitude towards development cooperation issues. Despite its domestic problems, Germany would remain a stable and reliable partner in international development cooperation, and with UNDP and the United Nations system in particular.

58. Mr. ORDOÑEZ (Philippines) said that his Government welcomed the evolution of technical assistance into a system that was increasingly responsive to the priorities of recipient countries. Midway through its fourth country programme, the Philippines had experienced major institutional changes, but flexibility in managing the country programme had enabled UNDP and the Government to respond to the new priorities which had emerged as a result. Some of the projects adopted at that time had been completed in 1990, and his Government hoped that they would stimulate modest industrialization in rural areas. His delegation was particularly grateful for the timely response of UNDP and other United Nations agencies in providing relief following the earthquake in July 1990. Plans for long-term measures to reduce vulnerability to earthquakes and other natural disasters were being finalized. With regard to other ongoing projects, increased emphasis had been placed on national execution of projects and the use of local expertise. Appropriate support mechanisms should be established to promote a national execution capability, in connection with which it was imperative that the Governing Council reach a consensus at the current session on successor arrangements for agency support costs.

59. The increased emphasis by UNDP on international migration was welcome, as was the focus on human development. He noted the introduction of the human development index, which combined national income with adult literacy and life expectancy indicators to reflect how economic growth translated into human well-being. The Human Development Report 1991, in a further refinement, had introduced the concept of a human freedom index. His Government shared the view that the promotion of development did not require the sacrifice of freedom. Nevertheless, he regretted the arbitrary indicators used by UNDP to construct the human freedom index. Such an index must be based on universally accepted norms and standards, such as those contained in the Universal Declaration of Human Rights.

60. Lastly, his delegation endorsed the Administrator's view that the informal sector and entrepreneurship should be encouraged and that women's and environmental concerns should be included in the mainstream of the development process.

61. Mr. AMAZIANE (Observer for Morocco) said that the conflict in the Gulf had shaken his Government's hopes for a more peaceful world following the relaxation of East-West tensions. Too many sources of instability remained for anyone to assert that disarmament would release resources for development; on the contrary, the future remained uncertain. The revolution in communications had increased interdependence and facilitated the transmission of positive and negative influences throughout the world. It had also led to the universal spread of aspirations in a fundamentally inequitable world which was unable to satisfy them.

62. It should be noted that the cause of democracy and freedom was not universally defended by the developed countries. Internal democracy was necessary, but democracy in international political and economic relations was equally necessary; without the latter, there would never be an end to underdevelopment.

63. The Administrator had noted that the supply of capital would each year fall some $200 billion short of demand in coming years, that interest rates would increase and that preference would be given to borrowers deemed most capable of using capital productively. That was bound to mean that financial resources would be allocated at the expense of the developing countries, and that their problems would be aggravated rather than alleviated, simply because they would be in competition with certain developed countries which absorbed a substantial proportion of global savings. What was worse was that developing countries had become net exporters of capital to the North, so that money would flow to the richer countries. In the light of that situation, his delegation felt that the only way forward for developing countries would be to promote South-South cooperation.

64. The Human Development Report 1991 made an important contribution to the consideration of development-related issues. However, it placed full responsibility on developing countries for the failure of their development policies during the 1980s, for four reasons: excessive arms spending, poor management of public resources, unproductive and extravagant investment, and capital flight. The report minimized the responsibility of the developed countries for the plight of developing countries. Specifically, it failed to mention that during the cold war, East and West alike had encouraged developing countries to arm themselves against blocs to which they did not belong. The arms trade had been of both strategic and financial benefit to the North. To suggest now that the developing countries alone had been responsible for it was to ignore history.

65. Furthermore, those who criticized the developing countries for their irrational economic policies overlooked the fact that such policies had frequently been adopted on the advice of institutions and experts in the developed countries. In addition, protectionism by the North against exports from developing countries, deteriorating terms of trade, increases in international interest rates and the problems of capital flight and the brain drain led to the inevitable conclusion that some of the responsibility for

(Mr. Amaziane, Observer, Morocco)

underdevelopment in the South lay with the countries of the North. His delegation also questioned whether the production and consumption patterns of the North, which were ecologically unsustainable and economically non-transferable, would ever permit an end to underdevelopment in the South.

66. The Human Development Report 1991 included a human freedom index, which ranked countries in three categories, high, medium and low freedom, on the basis of 40 indicators. Despite the methodological problems acknowledged in the report, the authors had prepared a hierarchical table of 88 countries, including Morocco. The inclusion of homosexual practices among consulting adults, which under Islam were an unnatural act and an offence against God, in the list of individual rights was clear evidence that Western values alone had been used in formulating the index. He hoped that, with the end of the East-West conflict, the world would not become culturally one-dimensional and that there would be an end to elitist attitudes. He appealed for true democracy in international relations. It would also be noted that, in formulating the human freedom index, UNDP, whose mandate related to technical cooperation issues, had crossed the boundary into the political arena.

The meeting rose at 5.45 p.m.

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SUMMARY RECORD OF THE 23rd MEETING

Held at Headquarters, New York,
on Tuesday, 11 June 1991, at 10 a.m.

President: Mr. PIRIZ-BALLON (Uruguay)

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Annual report of the Administrator for 1990 and programme-level activities (continued)

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The meeting was called to order at 10.15 a.m.

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1990 AND PROGRAMME-LEVEL ACTIVITIES (continued) (DP/1991/10 and Add.1-4, DP/1991/11-15, DP/1991/57, DP/1991/68 and DP/1990/77)

1. Mr. ELIASSON (Sweden) said that 1990 had been a year of major events for UNDP. The launching of the Human Development Report had been an important step forward in strengthening UNDP's analytical capacity as a development institution. The decision adopted on the fifth programming cycle had set clear priorities for UNDP's activities; and the framework decision adopted with respect to agency support costs had the potential to contribute to reforms of the operational activities of the United Nations. The case for such reforms was very strong, since current and future challenges called for different methods and solutions than those applicable in the early days of United Nations technical assistance.

2. The Nordic United Nations project, a contribution of the Nordic countries to the debate on the reform of the United Nations in the economic and social fields, underscored the interdependence of all countries as they faced the serious challenges of the 1990s. With a view to enabling the United Nations to deal more effectively with those challenges, the project highlighted four key requirements. Firstly, it was necessary to strengthen the United Nations operational role in the field of development by making the system more forward-looking, transparent, responsive and accountable. Secondly, the specialized agencies must be strengthened, and their role in providing technical assistance must be redefined. Thirdly, UNDP should be strengthened so that it could concentrate more on its areas of comparative advantage, and its analytical capacity should be further developed to enable it to become a stronger partner of developing countries, extending its role beyond that of a mere funding mechanism. Lastly, the United Nations machinery for emergency relief and ad hoc operations should be strengthened, and its coordinating role in that area improved.

3. There appeared to be an emerging consensus on new roles for the participants in operational activities. The General Assembly had agreed on the need to restore to the United Nations agencies their role of technical competence and to assign to the recipient countries their proper role of responsibility.

4. The major task facing the Governing Council was that of developing the 1990 framework decision on support costs. In so doing, it should bear in mind a number of fundamental principles. Firstly, UNDP had been established to finance development in developing countries. Secondly, the true costs of delivering technical assistance must be identified and reimbursed, and the new system should promote cost-efficiency, transparency and accountability. Thirdly, the best sources of competence available - inside or outside the United Nations system - should be utilized; the concept of partnership should

(Mr. Eliasson, Sweden)

not be translated into monopoly. Fourthly, national execution would strengthen the capacity of the recipient countries to take firmer control of their own development. It was essential to retain the long-term goals and principles for the new support-cost system, taking care not to nullify the achievements of 1990. The decision to be taken at the Council's current session would be a test of the international community's willingness to initiate reforms of the United Nations system.

5. His delegation was pleased to note that efforts were being made to enable the United Nations system to respond quickly and efficiently to emergencies and provide quick and reliable information on needs to the donor community, and to clarify the division of labour among the various United Nations agencies. UNDP played a special role in countries struck by emergencies, since the resident representative was also in most cases the resident coordinator of the United Nations system. Moreover, UNDP should be the bridge-building organ for the continuum from relief to development.

6. The Human Development Report 1991 was an innovative document that represented a new analytical approach to development problems. Its message that economic growth was a necessary, but not sufficient, condition for development was a powerful one. By placing people at the centre of development, the report brought the Preamble to the United Nations Charter to life. A major conclusion in the report was that lack of political commitment, rather than lack of financial resources, often was the reason for neglect of the human potential. Some developing countries had made admirable progress in human development. At the same time, the need for substantial external financial support was as strong as ever.

7. Although efforts to measure different aspects of human development were still to be refined, the type of information presented in the report provided decision makers throughout the world with valuable instruments for planning and policy-making. The report and the new support-cost system gave UNDP the tools to build a better future.

8. Mr. HALVORSEN (Observer for Norway) said that the annual report of the Administrator for 1990 (DP/1991/10 and Add.1-4) and the statement by the Administrator at the Council's 20th meeting confirmed the growing impression that the United Nations system was poised for renewal if Member States would provide the necessary support. The Nordic United Nations project, a study of the operational activities of the United Nations system, had been initiated in order to encourage further debate on the reform of the United Nations in the social and economic fields. The operational activities of the United Nations must be reformed in order to make the system more transparent, responsive and accountable. A better definition was required of the roles and responsibilities of the various organizations comprising the system, and their executive bodies needed to function more efficiently in order to guide their activities on a more continuous basis.

(Mr. Halvorsen, Observer, Norway)

9. He noted that, in the case of UNDP, 10 donors provided approximately 80 per cent of the contributions, and stressed the need for ensuring better predictability and stability and fairer burden-sharing in the financing of UNDP's activities.

10. The role of UNDP should be considerably strengthened so that it concentrated more on areas in which it had a comparative advantage. Those advantages, which included UNDP's universality and neutrality, its long-standing presence in developing countries and its close cooperation with national authorities, while always part of UNDP's image, had not been developed to their full potential. In some cases, UNDP assistance had been treated as a residual source of assistance with no apparent focus or long-term objective, a situation which must be changed. UNDP was in a privileged position to help developing countries establish and coordinate technical assistance priorities and objectives. Certain recent changes seemed to reinforce that position, while others did not.

11. In the interests of ensuring a timely and effective response to emergencies, there was a clear need for a permanent inter-agency structure with the proper authority and resources and a well-defined mandate and responsibility for initiating action. Decisions at the current session of the Council should not prejudge the role of UNDP that would emerge from broader discussions in the system. Whatever the outcome, UNDP's main objective should remain long-term development, and his delegation therefore questioned the current proposals to increase its role in relief operations.

12. The new management structure proposed for UNDP left some uncertainty as to how the Bureau for Programmes and Policy would be organized, and how it would ensure the most effective promotion of the six special priority areas. His delegation was particularly concerned at the changes envisaged for the Division for Women in Development, which apparently was to be downgraded. In order for the Division to fulfil its responsibilities, it was essential that it should remain a separate and visible unit led by a high-ranking officer who would personally participate in the most important internal policy meetings. Although his delegation endorsed the ultimate goal of fully integrating women-in-development issues into the mainstream of UNDP's activities and organization, UNDP had not yet reached a point where the proposed restructuring was justified, and there was a danger that the existing momentum would be lost. His delegation appreciated the emphasis which the Administrator had placed on women in development, and hoped that the proposed organizational modifications would be reconsidered.

13. The establishment of a Division for Private Sector in Development illustrated the importance of enhancing private initiative to achieve broad development objectives. At the same time, an efficient public sector was necessary in order to create and maintain a framework conducive to private-sector development, and to ensure the necessary infrastructure to support it. His delegation questioned the basis for UNDP's activities and

(Mr. Halvorsen, Observer, Norway)

organizational arrangements with regard to private-sector development, and requested the Administrator to provide the Council with a discussion paper outlining the role and strategy of UNDP in the private sector, for consideration in 1992. His delegation's call in 1988 for an in-depth discussion of the question had gone unheeded.

14. The HIV/AIDS pandemic represented a grave threat to human development. However, UNDP should not involve itself in tasks that could be carried out as well, or even more effectively, by other organizations. Rather, it should be concerned primarily with the social and economic development aspects of the pandemic, and any relevant activities which it undertook should be carried out within the coordinated framework of the Global AIDS Strategy and in close cooperation with the World Health Organization.

15. Lastly, the Human Development Report, by means of which UNDP had strengthened its analytical capability, would prove a useful instrument for development planning and for the establishment of technical assistance objectives. His delegation looked forward to the further improvement of the report and of its methodology.

16. Mr. ERDENECHULUUN (Observer for Mongolia) said that the United Nations had begun the ambitious task of making itself more responsive to the opportunities and challenges of the rapidly changing international environment. An important first reflection of that process could be seen in the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, adopted by the General Assembly at its eighteenth special session.

17. His delegation welcomed the concept of people-centred development, which, although not new, was an ideal that had often eluded the grasp of even the most affluent societies. While the political will to foster human development had existed in his country for a long time, the lack of adequate resources and an all-pervasive statism had until recently limited its impact. His country now had to focus on making development a fully participatory process.

18. His delegation welcomed the basic thrust and the innovative approach of the Human Development Report 1991, and noted with interest such features as the human development index and the introduction of a human freedom index. His delegation agreed with the Administrator that making assistance conditional on human freedom was not appropriate for UNDP or others.

19. The United Nations Population Fund (UNFPA) deserved praise for having highlighted in a timely manner the major population issues that must be grasped in order to permit an understanding of the many-faceted problems of human development.

20. His delegation welcomed the broader scope and the increase in the number of cooperative efforts between his country and UNDP, and he cited two examples of that cooperation. He expressed his country's appreciation to the Assistant

(Mr. Erdenechuluun, Observer, Mongolia)

Administrator and Director of the Regional Bureau for Asia and the Pacific and his staff, and to the Resident Representative of UNDP in Mongolia. His delegation looked forward to a continued expansion of its cooperation with UNFPA on the basis of a full-fledged country programme in the coming years.

21. Enhanced cooperation between his country, UNDP and other organizations in the United Nations development system was particularly important at a time when his country was experiencing profound changes in its political, economic and social life. The complex process of change was compounded by such problems as a sharp decline in economic production, a marked increase in the budget deficit, and a lack of foreign-currency reserves. His Government was fully cognizant of its primary responsibility for leading the country out of the current crisis, and was doing its utmost to involve the public sector in the development effort, with a view to eventual self-reliance through the building and strengthening of national capacities.

22. Innovative measures were being introduced, with due regard to the specific conditions in his country. Practical measures to ensure the transition to a market economy had been introduced, including the launching of the privatization process, the liberalization of prices, consideration of laws on taxation, steps towards the establishment of free economic zones, and efforts by the Government to attract foreign investment. It went without saying that his country's development efforts would be successful only in a favourable international environment that encouraged increased development cooperation.

23. Mr. MLLOJA (Observer for Albania) said that the launching of the Human Development Report had demonstrated the strong commitment of UNDP to the concept that international cooperation for development should centre on the development of human beings. His Government fully endorsed that concept and intended to mobilize efforts to open up new opportunities for technical cooperation between Albania and UNDP.

24. As noted in the Administrator's report (DP/1991/10/Add.1), the Regional Bureau for Arab States and Europe had been strengthened and the changing needs of Eastern Europe had been addressed through assistance which focused on support for the transition from centrally planned to market economies. Such assistance was crucial, since the economic success of those countries would depend largely on the development of their expertise in modern management skills.

25. Albania was in particular need of UNDP assistance, in view of the features which characterized its social and economic development. The Albanian people were unequivocally in favour of democracy, and the forthcoming introduction of Albania's first truly pluralistic government, composed of representatives of all the political forces in the country, bore witness to the people's support for freedom, democracy and human rights. However, the transition to a democratic system and a market economy presented complex and

(Mr. Mlloja, Observer, Albania)

difficult challenges, owing to Albania's 20-year alienation and non-acceptance of credits from abroad, as well as its lack of adequate infrastructure and of the necessary managerial and legislative know-how.

26. UNDP had already demonstrated its ability to respond rapidly to Albania's evolving needs by providing the services of a high-level economist to assist in the formulation of a new economic programme. In addition, two leading opposition members of the new Government had participated in a six-week UNDP training course for political and economic leaders in Central and Eastern Europe. Given the active involvement of UNDP in the reforms being undertaken by the Albanian Government, he strongly supported the idea of using indicative planning figure (IPF) funds to develop project proposals for which UNDP would actively seek co-financing. The priorities identified for European countries in transition also applied to Albania: management development, private-sector development, transport and communications development, and environmental management, with due regard to human development in all of those areas. In addition to long-term assistance, Albania would require emergency assistance to enable it to withstand the hardships of the transition phase. His Government urged UNDP to organize, in collaboration with other agencies, a mission to address Albania's emergency needs.

27. Considerable efforts would be required to enhance and reorient Albania's human potential and its technical and scientific expertise. The country and intercountry programmes and projects in which Albania was cooperating with UNDP had already yielded positive results in that respect. His Government supported the proposed opening of a UNDP office in Tirana as a means of increasing programme efficiency and broadening cooperation with other United Nations agencies. In addition, his Government took great interest in the activities of the Transfer of Knowledge through Expatriate Nationals (TOKTEN) programme, and of UNFPA. However, it wished that the financial prospects for the fifth cycle had been more favourable.

28. His Government, recognizing that UNDP assistance alone was insufficient to alleviate Albania's difficulties, would welcome all types of support from donor countries, including humanitarian aid coordinated through UNDP. Albania would spare no effort to cooperate with UNDP in implementing the decisions taken by the Governing Council.

29. Mr. SOZA MBUNZU-TE-NATE (Zaire) recalled that at the thirty-seventh session of the Governing Council, his delegation had welcomed the contributions of the United Nations system to Zaire's national development efforts. However, it had also felt that the efforts of UNDP, in collaboration with other agencies, should be oriented principally towards the establishment of a new, just and equitable international economic order and towards increased utilization of national capacity, the allocation of financial resources to Zaire's development programmes in proportion to its geographic size, and the consideration by UNDP of seminars and training sessions, in Zaire or abroad, for local staff called upon to implement various development

(Mr. Soza Mbunzu-Te-Nate, Zaire)

programmes. His country had great faith in the capacity of UNDP to help it overcome the obstacles to its socio-economic development.

30. Although some aspects of the Human Development Report, such as the human development index and the human freedom index, were open to criticism, the report had the merit of drawing the attention of all government leaders, and particularly those of developing countries, to the ways in which budget allocations could sometimes run counter to the goal of human development. Economic growth must go hand in hand with social development if development programmes were to be sustainable. Access to education, health care, employment, adequate housing, food, and fundamental freedoms was indispensable to development, as was the equal participation of women at all levels.

31. The Management Development Programme, in accordance with General Assembly resolution 44/211, required that UNDP should take into account the reforms undertaken by developing countries, particularly structural adjustment programmes, which had yet to produce positive results. UNDP was called upon to help such countries to improve public-sector management and to balance public expenditure in the production sector with those in the social-services sector.

32. The democratization process begun the previous year in Zaire was a prerequisite for development through active and effective cooperation with bilateral and multilateral partners. He was pleased to note that UNDP was already assisting the democratization process in various countries, and his Government would welcome similar assistance for Zaire. Currently, in the context of the fourth country programme for Zaire, his country's cooperation with UNDP centred on the mobilization of national capacity for project execution, the development of social welfare to mitigate the negative effects of the structural adjustment programme, and the involvement of non-governmental organizations in the development process.

33. UNDP, as the catalyst and leader of all executing agencies for United Nations programmes, must be supported by increasingly generous contributions from the international community in order to fulfil its challenging mandate, which had been unanimously reaffirmed by the Governing Council in its decision 90/34.

34. Mr. MAYORGA-CORTES (Nicaragua) said that the United Nations was currently in a period of transition that required the Governing Council to re-evaluate and re-orient UNDP, not only to increase its resources and its cost-effectiveness, but also to design programmes that better responded to the serious problems of the developing world. His delegation fully supported the priority which UNDP gave to human development, which could be defined as the extent to which the members of a society enjoyed the whole range of human rights, including political, economic and social rights. Furthermore, since freedom was the basis for all other human rights, his delegation could only support the inclusion of that theme in the UNDP Human Development Report.

(Mr. Mayorga-Cortes, Nicaragua)

However, it also welcomed the Administrator's assurance that UNDP would not make its cooperation contingent upon the human freedom index of a given country, or recommend such an approach to others. While creative UNDP responses to opportunities that arose in individual countries were commendable, UNDP should act only at the request of the countries concerned, in accordance with the principle that the countries themselves should determine their national programmes and priorities.

35. As development indicators, the human development index and the human freedom index, despite their acknowledged limitations, were potentially more revealing and relevant than mere estimates of per capita income. The efforts which had gone into the presentation of those indicators were laudable, but must be carefully refined. It should be borne in mind that because of their qualitative nature, the new indices inevitably involved value judgements which did not necessarily apply to all of the multiple and diverse cultures represented in the United Nations.

36. In view of those observations, efforts to refine the indices should take into account the need to intensify dialogue and consultation at the country level on the theme of human development; should avoid pigeon-holing countries into hierarchical rankings on the basis of estimates which were still unreliable and difficult to compare in the absence of a generally applied methodology for data collection; and should correct the current report's two major errors of using outdated information and relying on sources other than those of the United Nations. His delegation believed that the Governing Council should, at its current session, agree on guidelines which would improve the content of future issues of the Human Development Report.

37. Nicaragua welcomed the 30 per cent increase in the value of new projects approved in 1990 over those approved in 1989, as well as the 35 per cent increase in follow-up investment. Also encouraging were the priority given to the least developed countries, and the national technical cooperation assessment and programmes for 28 African countries. Africa had also benefited from the Management Development Programme and from various joint activities undertaken in coordination with the African Development Bank and the World Bank. Progress in Asia and the Pacific was also notable, especially with respect to human development and its relation to the environment, grass-roots participation at all stages of development, and women-in-development issues. Greater emphasis had also been placed on the development of the private sector in that region and in the countries of Eastern Europe.

38. His delegation regretted that the Persian Gulf war had hindered UNDP cooperation with the Arab States and Europe. However, the mid-term review of the fourth regional programme for the Arab States had resulted in the reinforcement of food security, technology and human resources development as priority areas for the fifth cycle. His delegation felt that the prospects for development in the context of the integration efforts of the Arab Maghreb Union presented significant opportunities for cooperation, which UNDP should not neglect.

(Mr. Mayorga-Cortes, Nicaragua)

39. The Administrator's report indicated that the execution of programmes in Latin America and the Caribbean had been faced with the harsh social consequences of structural adjustment programmes and the need to establish the basis for a strategy for durable recovery (DP/1991/10/Add.1, paras. 50-51). His delegation felt that greater priority should be given to programmes and projects relating to the eradication of poverty. Current projects in Colombia on that subject and on the protection and promotion of human rights could constitute important examples for other countries in the region.

40. He welcomed the decisions taken by the Governing Council in February 1991 concerning the Special Plan of Economic Cooperation for Central America, as well as the support provided to the International Conference on Central American Refugees. The progress report on the execution of the Action Plan adopted by the Conference indicated that the Plan had made significant headway. Over 400,000 people had benefited directly or indirectly from the programme.

41. He supported the proposals put forth by the representative of Denmark at the 21st meeting of the current session concerning the establishment of an international development council to monitor the activities of UNDP, UNFPA, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the International Fund for Agricultural Development (IFAD). He agreed that each of those organizations should maintain its own governing body, though on a reduced scale, and that coordination among those agencies would become increasingly important in the coming years.

42. Mr. LUNA (Observer for Peru) said that international détente had enabled the world community to restructure its priorities in favour of human beings as the centre of development activities. The United Nations system had recognized that the primary objective of development was to improve the quality of life of human beings, particularly in developing countries.

43. However, in defining the concept of quality of life, the international community must agree on the various components of that concept. Although economic growth undoubtedly was one such component, it was not, in itself, sufficient to guarantee a higher quality of life. It was therefore necessary to introduce indicators of a qualitative nature, which inevitably prompted questions about their objectivity. The Human Development Report 1991 represented a significant effort in that respect, and the human development index, introduced in the 1990 report, had been refined. However, the current report also included a new index whose political consequences could be extremely serious for developing countries: the so-called "human freedom index".

44. Freedom was a concept with multiple meanings that could not be dissociated from the cultural context and social relationships of the people who formulated that concept and attempted to put it into practice. Freedom could not be defined in absolute or abstract terms, or solely in relation to

(Mr. Luna, Observer, Peru)

any single dimension of social reality. All of the indicators used in determining the human freedom index referred to social, cultural or political rights. None of them were related to such factors as the right to development or the fundamental right to life, which was in serious jeopardy in developing countries. Any definition of freedom must be based on the guarantee of human survival.

45. Moreover, the data on which the report's ranking of selected countries was based were derived from The World Guide to Human Rights. The profound political changes and the proliferation of democracy throughout the world in recent years had rendered those data obsolete.

46. He wished to know what criteria had been used in selecting the 40 indicators to measure human freedom, what their order of priority was and what world view they reflected. It was clear that behind those indicators was a political model of freedom and democracy that laid claim to universality. It was no accident that developed countries located in specific geographic areas and interrelated by common cultural and historical ties had been ranked as countries with a high level of freedom, or that the political systems of those countries were extremely similar. His delegation recognized the demonstrated effectiveness of democracy in providing development opportunities for citizens of those countries, but felt that the type of democracy and freedom thus represented had been forged under very specific historical circumstances. Both democracy and freedom could take various forms. If those forms were limited to the mechanical transposition of what were claimed to be the sole valid models, the outward forms of democracy took the place of its substance. Such a result posed grave dangers to developing countries by causing profound popular dissatisfaction with the inability of political instruments to satisfy the demands of democracy, which could give rise to irrational solutions.

47. Peru had been engaged in an intensive democratic process for over a decade, and the consolidation of that process called for a great effort on the part of all Peruvians. However, that effort did not yield an acceptable standard of living for the population. Democracy was therefore extremely vulnerable in Peru, owing essentially to the impoverishment of the country in recent years. That alarming situation could be overcome to a great extent through a considerable increase in international cooperation, which should be provided on an appropriate basis, taking due account of existing commitments not only by Peru itself, but by all members of the international community.

48. Freedom took a very specific form in Peru, which was a multi-ethnic society whose cultural wealth derived precisely from its diversity. Democratic models in Peru and the freedom exercised through them were the product of the intermingling of many cultural factors and of the great vitality and creativity of the peoples of the country. Freedom was basically created by the people.

(Mr. Luna, Observer, Peru)

49. United Nations technical assistance to developing countries was based on such principles as those of universality and neutrality. The human freedom index as proposed in the Human Development Report 1991 jeopardized observance of such principles by introducing extremely dangerous and arbitrary criteria, which would result in a reduction in assistance to developing countries at a time when it was vital to their survival. That index, with its outdated European focus, could give rise to yet another set of conditions to be met, and thus serve as an unacceptable means of bringing political pressure to bear on the developing countries. It must therefore be reviewed in detail in order to evaluate not only its political relevance, but also its questionable technical basis. To do otherwise would be to disregard the terms of reference for multilateral economic cooperation established with great care through a lengthy negotiating process in which the views of all members of the international community had been taken into account.

50. Mr. LEMERLE (France) said that his country largely shared the concerns of UNDP. It was gratifying to note that with the fifth programming cycle, the set of concepts on which UNDP was based would be consolidated, particularly as a result of the Human Development Report, while the application of those concepts would benefit from a new programme approach.

51. UNDP was thus progressing in the right direction and should be supported in its action. However, the debate on human development must actually lead to appropriate action, so as to strengthen the specific characteristics of UNDP and to help it in setting its priorities.

52. The Human Development Report, which aimed to state relevant universal principles, was a powerful tool in that debate. However, interpretation of the human development index, which had been included in the current report, was likely at the current stage to give rise to reservations, doubts and frustration. None the less, the statistical or methodological flaws in the exercise in question must not mask the importance of the report, which the Administrator had courageously endorsed.

53. The conclusion reached in the report, which France supported, was clear: there could be no economic development without freedom. That conclusion also emphasized the need to ensure popular participation in development, particularly the need to expand the role played by women, while at the same time strengthening management capacity, the transfer of technology and rational use of the environment. France also noted that particular attention would be devoted to sub-Saharan Africa. Such priorities would provide a basis for an effective technical cooperation policy.

54. It no longer seemed reasonable to criticize UNDP for lack of vision. UNDP had indicated clearly that it wished to give priority to human factors and protection of the environment, and that it would encourage the developing countries to have confidence in their resources, which could be mobilized by means of the rapid development of national execution machinery. However,

(Mr. Lemerle, France)

those intentions would have to be translated into specific programmes. Moreover, UNDP should intervene only where its assistance was of real benefit.

55. The greater involvement of UNDP in assistance activities relating to efforts to control AIDS and its consequences, to emergency operations in the event of natural disasters and to mass flows of refugees must be considered with great care. UNDP certainly had a coordination role in connection with short-term requirements, and that role must be performed more effectively. However, UNDP must take care to delegate responsibility for carrying out such activities. Otherwise, it would be diluting its efforts, its overall effectiveness and utilization of resources would suffer, and the resulting competition with the specialized agencies would be counter-productive. Admittedly, that was no easy task, since it meant that UNDP often had to strike a delicate balance between emergency activities and long-term action.

56. One of the great assets of UNDP was its cultural diversity, and it was desirable that the group involved each year in preparing the Human Development Report should be expanded, as in the case of the composition of the staff of UNDP. It was also important that documents should be translated promptly so as to ensure their full dissemination within national development institutions. In 1991, once again, a certain amount of improvement was required in that connection.

57. The priority that was now to be accorded to national execution meant that management by national administrations must be promoted and strengthened, and that assistance in programme preparation must be provided in the individual countries concerned. As a result, a closer relationship must be established between UNDP and non-traditional executing agencies, including non-governmental organizations. UNDP's place in the United Nations system would thus have to change, and serious thought must therefore be given to that matter. In that connection, the ongoing debate with the various agencies on support costs must continue until a consensus was reached on a solution. Hasty implementation of new measures, without adequate preparation, was inadvisable. A further effort to explain the situation would be helpful in that area.

58. Structural reform was also called for, and the Administration of UNDP had taken due account of that need, particularly by giving greater responsibilities to the field offices, which were required to inform headquarters of concerns that arose in the field and to take the initiative more.

59. However, UNDP must show the necessary flexibility when providing technical assistance in different contexts and in order to meet changing needs. In that connection, the role played by some agencies associated with UNDP that were engaged in specific, innovative and highly positive activities, such as the United Nations Capital Development Fund, or in regional activities, such as the United Nations Sudano-Sahelian Office, should be

(Mr. Lemerle, France)

stregthened, which meant that their identity should be retained. Similarly, the acknowledged importance of the role of women in development meant that bodies responsible for promoting that role should not be weakened.

60. Mr. AWOONOR (Ghana), speaking as Chairman of the Group of 77, said that the Group wished to express its views on some of the issues raised in the 1991 edition of the Human Development Report, with a view to ensuring that the shared values that underpinned the basic principles and criteria governing UNDP assistance did not become distorted. In that regard, the Group of 77 wished to reaffirm the validity of General Assembly resolutions 2688 (XXV), 3405 (XXX) and 44/211.

61. The attempt to broaden the criteria for measuring development to include indices for literacy and life expectancy could not be faulted. Indeed, it was a major contribution of the Human Development Report 1991 that it placed people at the centre of all development. The essentially materialistic traditional method of measuring development failed to capture an important dimension of development, since a high per capita GNP did not necessarily indicate human development. The new composite index was an invaluable instrument for the policy maker.

62. It was the attempt to refine the instruments for measuring human development in the current edition of the report, by constructing what was called a human freedom index, that had caused the Group of 77 some concern. Freedom was a value-laden concept that found expression in different shapes and forms from society to society, even though freedom was indivisible. For that reason, one would have thought UNDP would have been a little more cautious and selective in identifying notions of freedom to be included in the index. To take the work of a particular scholar, representing a particular culture seen by many in recent human history as linked to the oppression and exploitation of a vast part of the world and develop an index that should be applicable to all societies and cultures was to show a lack of sensitivity hardly acceptable in a universal body like UNDP. And to say that a certain sexual conduct between two consenting adults could be a criterion for judging human development was to impose notions of freedom which in other societies were regarded as an aberration. The fact that that very conduct was a matter of often heated controversy even in countries where such conduct seemed to enjoy a measure of acceptance was glossed over.

63. The Universal Declaration of Human Rights and the International Covenants on Human Rights embodied generally accepted notions of freedom and should have been the central resource for developing any universal human freedom index. In any case, it was the Commission on Human Rights that had the mandate for human rights questions. When UNDP elected to make that subject one of its central concerns, it ran the risk of opening itself to serious questions as to whether it was veering away from its mandate. Its neutrality would thereby be compromised. And its field offices would be transformed into agents for measuring human freedom issues on the basis of very questionable criteria. It was to be hoped that that was not the intention of UNDP.

(Mr. Awoonor, Ghana)

64. The greatest concern of the Group of 77 related to what the report itself proclaimed as its main conclusion, namely that lack of political commitment, not financial resources, was often the real cause of human neglect. The causes of human neglect were more complex than the sweeping conclusion of the report suggested. There were other factors that constituted a severe constraint on development in developing countries, making it difficult to undertake higher levels of social investment. To fail to take those factors fully into account, as the report did, was to oversimplify the problem. A crucial factor was the exploitative nature of the international economic regime.

65. In spite of their difficult economic circumstances, developing countries had made modest gains in social investment, and that was acknowledged even by the authors of the report. It was when countries had to undertake structural adjustments that the international financial institutions made them curtail expenditure on social services as one of the conditions for access to resources. Developing countries had, for their part, always argued that social investment was necessary for sustainable development.

66. A resource gap of $5 billion each year between current flows to Africa and what was needed for promoting Africa's long-term development had been identified. That figure on all accounts was very conservative. Furthermore, the views expressed by the General Assembly in the Declaration adopted at its eighteenth special session on international economic cooperation regarding external debt, development finance, the creation of an open and equitable trading system, and the diversification and organization of the economies of developing countries were of great importance. Similar views had been expressed in the International Development Strategy. That would entail parity remunerative prices for the produce of developing countries, reducing debt-service burdens as well as the stock of debt, access to markets and transfer of technology at reasonable prices.

67. Those were some of the important factors inhibiting human development in developing countries, not simply lack of political will. The Group of 77 believed that the primary factor was the absence of a favourable and just economic environment in which developing countries could realize their aspirations to improve their living standards.

68. To focus exclusively on the lack of political will led to policy responses that might be inadequate for dealing with the problem of human neglect. Therein lay the danger of the report's oversimplification of the problem. The members of the Group of 77 had felt that the flawed conclusion of the report should not be allowed to go unchallenged. It was their hope that UNDP and the United Nations development system as a whole would treat the report with a great deal of caution.

69. Mr. TRAXLER (Italy) said that he would like to make some comments in addition to those contained in the statement delivered by the Netherlands on behalf of the 12 States members of the European Community, to which he entirely subscribed.

(Mr. Traxler, Italy)

70. The current decade was undoubtedly crucial from many points of view. The international community faced a new international situation after the changes in Eastern Europe and the Gulf crisis; it was challenged by a number of pressing global problems, particularly the slow pace of development in the South, degradation of the environment, the depletion of natural resources and excessive population growth. It was becoming increasingly clear that what was at stake was the quality of life of every human being.

71. UNDP had the merit of having understood at the right time that the concept of quality of life must be the cornerstone of any development policy. The Human Development Report 1991 was, in the view of the Italian Government, the most interesting United Nations document to be issued in the past few years. Italy commended the Administrator for his courage in supporting the work of the independent team headed by Mr. Mahbub ul Haq.

72. However, the report was only a starting-point. Firstly, constant work was needed to refine the methodological base of the human development index. Moreover, a substantial improvement of the human freedom index should be pursued, as acknowledged by the Administrator himself. In the meantime, however, Italy considered of great value the emphasis given both to the fact that economic growth did not automatically result in an improvement in the everyday life of people and to the relationship between human development and human freedom. Popular participation was a necessary component of any realistic development policy. Obviously, popular participation could not be achieved without freedom. It was therefore altogether logical to include a human freedom index in the report.

73. A very important step had been the statement, in Governing Council decision 90/34, paragraph 6, of the general principle that human development should be promoted. UNDP thus now had a very specific mandate on which an agressive development strategy could be built. Italy believed that a strategy focused on general human development would give UNDP a unique position among development institutions; such an approach, moreover, would strengthen UNDP's coordination role, in accordance with General Assembly resolution 44/211, and would ensure its intellectual leadership in the United Nations development machinery.

74. Currently, the financial resources available to UNDP were not sufficient to respond to the challenge before it. The financial flow to UNDP was becoming flat in real terms, and in donor countries there were no signals, so far, that that trend would improve. On the other hand, in UNDP, the Office for Project Service was attracting growing funds earmarked for specific projects. That meant that there was something wrong with the way in which UNDP core activities were perceived by the general public and by the Governments of donor countries. There were perhaps two explanations for that problem.

(Mr. Traxler, Italy)

75. Firstly, UNDP did not have a clearly defined image: the consequence was a degree of indifference towards UNDP activities and a lack of pressure regarding the funding of its budget. Secondly, the rigidity of the IPF system probably gave donor Governments the impression that they were putting money into a large, very bureaucratic mechanism, lacking focus and flexibility; consequently, the comparative advantages potentially offered by UNDP were not sufficiently clear. As a result, bilateral cooperation or earmarked contributions to UNDP for specific projects appeared more suitable for the achievement of development goals. The possibility for donors to indicate a specific focus and the possibility of earmarking resources for specific purposes made all the difference between the stagnation in UNDP resources and the growth of activities of the Office for Project Service and other non-core activities.

76. If that interpretation was correct, major changes were required; otherwise, there was a risk that UNDP would be increasingly marginalized in the overall context of the development challenge.

77. The Administrator had already begun the process of revitalizing UNDP. An important step had been taken with the elaboration of the Human Development Report 1991. A second step which the Administrator was proposing was to make "strategic decentralization" the organizational pattern of UNDP. That had already led to an increased delegation of project approval authority to the resident representatives in the field and the division managers at headquarters.

78. His delegation urged UNDP to continue in that direction and hoped that the Administrator would pursue a clear-cut strategy based on the general concept of human development and on operational plans for achieving human development. That was the only way to solve the problem of taxpayers not being sufficiently interested in UNDP activities. Just as UNICEF was clearly identified with child protection, UNDP should stand out as the leading agency for human development.

79. The second problem, namely, the impatience of donors with the somewhat bureaucratic approach of UNDP, was more difficult to deal with, mainly because that approach stemmed in part from micromanagement by the Governing Council. In accordance with General Assembly resolution 44/211, his delegation supported the further decentralization of the system and the streamlining of the Governing Council's functioning. Italy would like to see the coordinating role of the resident representatives reinforced through the development of an integrated operational response by the United Nations system to the national programme framework of the recipient country. The reform of the UNDP management structure would make another useful contribution to its efficiency; the Administrator's proposals were a good basis for the discussion of that topic at the current session.

(Mr. Traxler, Italy)

80. The members of the Governing Council should begin a serious process of reappraisal with a view to updating the mechanism for collecting and allocating resources for the next programming cycle and attracting additional funds for UNDP.

81. As far as Italy was concerned, greater efficiency and incentives to contribute could be achieved if the percentage set aside for Special Programme Resources was substantially increased. Although his delegation had deplored the Council's proclivity for general micromanagement, in the case under consideration, Special Programme Resources projects above a certain amount should be scrutinized by the Governing Council in the context of the country programmes and on the basis of clear standards and priorities, which should be established so that the impact of all project expenditure on human development could be evaluated.

82. Lastly, he stressed the importance which his Government attached to the environmental dimension within the general framework of human development. He looked forward to the inclusion of an environment index in a future Human Development Report. The environmental impact assessment of each and every project must become an essential modality of the approval procedure.

83. Mr. KOSTOV (Bulgaria) said that his delegation fully supported the conclusions of the annual report for 1990 (DP/1991/10) concerning the role of technical cooperation in meeting the challenges facing the international community - challenges which demanded concrete and viable action in order to increase awareness of the magnitude and complexity of existing social, economic and environmental problems.

84. At a time when rapid changes were making it possible to supersede ideological confrontation, a new division of the world along economic, social and cultural lines could be avoided, but only through the concerted efforts of all States. That would mean bringing international economic cooperation into line with the requirements of the changing world by achieving a level of development commensurate with current social standards, and by improving the international financial and trading system and directing it towards sustained development. The implementation of the aims and principles of the Declaration adopted at the eighteenth special session of the General Assembly, including those pertaining to technical cooperation, would undoubtedly meet those requirements.

85. His delegation was convinced that UNDP, guided by the principle of universality and by its voluntary character, should continue to adapt its programmes to the needs of Member States and to the priorities established by their national development plans and strategies. In that connection, his delegation shared the view that priority should be given to human development, self-reliance and sustainable development as the principal goals of UNDP activities.

(Mr. Kostov, Bulgaria)

86. The Human Development Report 1991 provided fresh evidence of the validity of the concept that human beings were the main subject and factor in the development process. He concurred with those delegations which believed that there was a correlation between human development and human freedom. At the same time, he shared the view expressed by the representative of the Netherlands, on behalf of the European Community, that extreme caution should be used in relation to the human freedom index contained in the report, in view of the methodological difficulties involved in its elaboration. Moreover, the fact that the data used in the report was six years old diminished the value of the effort. In his country, for example, profound democratic changes had taken place during that period. Accordingly, his delegation welcomed the Administrator's statement that it was not appropriate for UNDP to make human freedom a precondition for assistance. Bulgaria would continue to support all operational activities within the framework of the United Nations which pertained to human development issues.

87. His delegation welcomed the efforts of UNDP on behalf of displaced persons, and believed that they should be accompanied by the search for social and economic conditions which could stem the growth of international migration. It was to be hoped that the changes in global politics would result in fewer political refugees and persons displaced by military conflicts. On the other hand, if the sharp differences in the levels of economic development of different countries were not overcome, they were likely to foster increased migration, with unpredictable consequences.

88. In support of the definition of "self-reliance" contained in paragraph 30 of document DP/1991/10, and in view of its own experience in the transition to a market economy, Bulgaria believed that it would be appropriate to promote the national capacity of recipient countries to manage problems in various sectors of their economies. In that connection, UNDP should further strengthen its efforts in management development. Due attention should be given to the needs of the Central and Eastern European States in transition; efforts should be concentrated not only on helping to manage various economic sectors, but also on developing an economic environment conducive to the deep structural changes under way.

89. His delegation had repeatedly emphasized the importance which it attached to environmental issues, and was willing to contribute to all international endeavours in that field.

90. With regard to the next programming cycle, his delegation generally supported a broader use of the programme approach. At the same time, that approach should be complemented by the development of national programmes. That would be the most comprehensive way of seeking solutions to the specific problems of States. It was to be hoped that the new arrangements with the executing agencies would promote more efficient implementation of the projects and programmes financed by UNDP by flexibly combining the agencies' considerable potential with national execution.

(Mr. Kostov, Bulgaria)

91. Apart from the direct participants, Bulgaria was one of the countries which had been most severely affected by the Gulf crisis, as a result of its strict implementation of the relevant Security Council resolutions. His Government greatly appreciated the attention given by UNDP to that issue, and its granting of technical assistance to the affected countries. It should also be noted that the direct and indirect losses to his country's economy had occurred at a difficult moment. In its transition to a market economy, Bulgaria had started from conditions even more challenging than those of other Eastern European countries, characterized by severe overall imbalances, the disruption of internal markets, increasing internal and external debt, budget deficits, severe deterioration in the terms of trade, uncertainty with regard to future oil prices, and the breakdown of traditional trading relationships. Under those circumstances, it was estimated that losses resulting directly from the Gulf war would amount to more than $1.4 billion per year.

92. Bulgaria was currently implementing a programme of radical economic reform supported by a broad national political consensus and developed with the assistance of the International Monetary Fund and the World Bank. His Government attached great importance to the support of the international community, and highly appreciated the assistance of the Group of 24 and the contribution made by the European Community. It was to be hoped that UNDP would devote greater attention to the Bulgarian country programme, taking into account the additional criteria, such as the sharp decline in per capita gross national product (GNP) and the country's severe indebtedness.

93. Mr. KARUKUBIRO-KAMUNANWIRE (Observer for Uganda) said that the technical assistance issues to which his country attached special importance included the trends in technical assistance delivery by the United Nations development system; current world economic and social developments, and their impact on development resources; new initiatives in cooperation modalities, especially national execution and South-South cooperation; efforts to combat the devastating plague of HIV/AIDS; the financing of the successor arrangements for the United Nations Programme of Action for African Economic Recovery and Development, the evaluation of the social costs of adjustment, and the national technical cooperation assessment and programmes; agency support-cost arrangements; the Human Development Report 1991; the role of UNDP in the Programme of Action for the Least Developed Countries for the 1990s; the senior management strategy and the role of the United Nations trust funds; and the budget estimates for 1992-1993.

94. UNDP, as the Organization's main funding channel for technical cooperation, had done a commendable job in the developing countries. However, as the world economy and social situation were undergoing fundamental change, UNDP and the international community must seek new solutions and adjust to the challenges of the 1990s, especially in Africa and in the least developed countries, whose survival was threatened by the harsh international environment.

(Mr. Karukubiro-Kamunanwire, Observer, Uganda)

95. The welcome changes in Europe in 1990-1991, which had ended the cold war and averted the danger of a destructive military conflict between the super-Powers, should result in resources hitherto committed to military purposes being converted into the so-called "peace dividend".

96. Falling commodity prices and the deteriorating terms of trade had undermined his country's export earnings, with severe implications for the sustainability of its economic development process and for its capacity to service the already heavy debt burden.

97. In the past four years, Uganda had maintained an annual growth rate of more than 6 per cent and had managed to reduce the inflation level from 300 to 25 per cent. However, the cost of structural adjustment had been very high. It had been necessary to discharge 60,000 public employees in 1991 as a first step towards the civil service reforms, and Uganda had been unable to obtain sufficient resources for the resettlement of the affected employees.

98. Official development assistance for Africa as a whole had stagnated. In the case of Uganda, aid per capita had been approximately 30 per cent lower than in other sub-Saharan African countries, despite the fact that its UNDP indicative planning figure was among the highest in the world. Bilateral assistance for Uganda, although rising, had averaged only $9 per capita, or 40 per cent of the average $21 per capita for sub-Saharan African countries excluding Nigeria.

99. On the other hand, protectionist and distorted policy measures in the developed market economies were seriously retarding the development and diversification of Uganda's exports. As the unification of Europe might result in reduced official development assistance for Africa and intensified protectionism, the external environment must be improved if UNDP technical assistance was to make an impact on Uganda's development performance.

100. South-South cooperation had therefore assumed critical importance in itself and in the negotiations for a meaningful North-South economic order. In that context, he expressed appreciation for the support of UNDP, the Economic Commission for Africa (ECA) and all other organizations which had helped to strengthen the African subregional groupings. The latter would form the basis of the newly created African Economic Community.

101. Exchange-rate fluctuations had resulted in the loss of reserves in real terms, while the Gulf crisis had raised Uganda's oil import bill, thus dislocating its adjustment programme. In that connection, he drew attention to a resolution adopted at the recent session of the ECA Conference of Ministers, calling upon the Secretary-General to include African countries among the group of countries to be compensated for losses arising from the Gulf war.

(Mr. Karukubiro-Kamunanwire, Observer, Uganda)

102. His Government had welcomed the internalization of the national technical cooperation assessment and programmes process. In collaboration with donors, it was developing a policy paper which would spell out objectives and strategies for all technical cooperation in the future. Under the second phase of the process, it would prepare a technical cooperation programme which would serve as the sole frame of reference for all donors.

103. Uganda had identified the necessary objectives of any technical collaboration to be accepted by it, regardless of the funding source, in the future. Those were: institution-building in order to create a strong and efficient structure capable of implementing government economic and social development policies; human resource development in order to enhance self-reliance in managing national institutions and project implementation; the reversal of the "brain drain", through the correction of economic and social distortions in the development and deployment of human resources; capacity-building and utilization; and the transfer and development of appropriate technology in order to accelerate economic transformation and promote research.

104. The explicit statement of those objectives for technical assistance would eliminate ambiguities and interests which were incompatible with Uganda's overall national development strategy and objectives. In 1992, Uganda would present its fourth country programme to the Governing Council; that programme, as well as any other technical assistance programmes, must conform to those objectives.

105. The national execution of UNDP-assisted projects was designed to take advantage of the technical capacities already existing in the developing countries. His Government had established a National Execution Unit to oversee operations in that area. Since then, pseudo-government execution, which had merely meant subcontracting to one or more foreign organizations, had been eliminated. However, there was a need for greater harmonization between his Government and UNDP in that area.

106. HIV/AIDS had become the primary threat to the human race. The intensity of the danger appeared to vary according to different levels of development. In the developed countries, AIDS victims seemed to live longer, productive lives after contracting the disease. In poor communities, in which health and nutrition were already poor, victims deteriorated quickly and died from associated diseases because they lacked immediate treatment. AIDS was therefore both a medical and an economic problem. Until a cure was found, the following integrated approach should be taken: preventing infection and reinfection through mass education campaigns to change social behaviour, and through the use of preventive methods; averting and providing immediate treatment for opportunistic diseases; and providing help for orphans and the aged, formal and vocational education for orphans, and rural income-generating activities for spouses and dependants.

(Mr. Karukubiro-Kamunanwire, Observer, Uganda)

107. The 1980s had been a depressing decade for Africa. The real growth rate of gross domestic product (GDP) for sub-Saharan Africa had been 1 per cent for the period. Real per capita incomes had declined yearly at an average rate of 2.2 per cent. Exports had declined yearly at a rate of 0.7 per cent from 1980 to 1988. The sub-Saharan African share of world exports had fallen from 2.4 per cent in 1980 to 1.7 per cent in 1985. The external debt had risen from $82.7 billion in 1984 to $139.5 billion in 1988, representing 98.8 per cent of GNP.

108. In May 1990, the ECA Conference of Ministers responsible for development had issued a memorandum which should be circulated to all members of the Council. For their part, the African countries had made commendable efforts to respond positively to the United Nations Programme of Action for African Economic Recovery and Development, while a careful and reasoned evaluation of the international community's response showed that it had not fully done its share. He urged UNDP, the United Nations system and the international community to examine the magnitude of the African problem and to establish mechanisms for the effective implementation of the United Nations Programme of Action for African Economic Recovery and Development, and the Programme of Action for the Least Developed Countries for the 1990s.

109. Mr. MROZIEWICZ (Poland) said that his delegation had noted with satisfaction the sizeable expansion of UNDP activities in 1990 as compared to the previous year. UNDP was playing a substantive and active role in many international development meetings and decisions. In that connection, his delegation suggested that a seminar should be organized to study the new dimensions and characteristics of the global economy on the threshold of the twenty-first century, as seen by international financial and economic policy makers and representatives of transnational corporations. Such a seminar could perhaps be held under the joint auspices of UNDP and the United Nations Commission on Transnational Corporations.

110. An important aspect of the process of transition to democracy and a market-oriented economy was the question of regional and local development within a country. Ultimately, it was in local areas that the institutional base for entrepreneurship and small- and medium-sized enterprises must be created, so as to attract local and foreign capital.

111. A seminar on regional development corporations was currently being held in Poland in cooperation with the United Nations Industrial Development Organization (UNIDO), and a wider exchange of experiences in that regard would be helpful to his country. Poland hoped to avail itself of the expertise and achievements of other countries in that area through the UNDP network.

112. Drawing attention to document DP/1991/10/Add.1, he said that economic growth had been registered in 1990 in various geographic regions, but especially in Asia and the Pacific. For the Arab States and Europe, it had been a very difficult period. Unfortunately, no figures on growth or

(Mr. Mroziewicz, Poland)

regression had been given. In Poland, notwithstanding a number of positive results, there had been a 25 per cent decline in the industrial output of State enterprises and a 10 per cent drop in fixed-asset investment. The unemployment rate had reached 6 per cent, real wages had dropped by 30 per cent, and the GDP had fallen by approximately 12 per cent.

113. Nevertheless, his delegation believed that the medium-term economic framework for 1991-1993 would lead to improved performance and sustainable growth, with a concentration on the privatization of 50 per cent of State enterprises, the promotion of domestic and external competition, the liberalization of the few remaining price controls, the modernization of the agricultural sector, the creation of a competitive banking system and financial markets, and fiscal reform. In all those endeavours, his country required urgent foreign technical assistance, including that of UNDP. He expressed gratitude for the valuable assistance which his country had received in 1990 from UNDP, including from the newly established UNDP office at Warsaw.

The meeting rose at 1 p.m.